

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

132 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
133 amended as follows:

134 27-7-5. (1) (a) Except as otherwise provided in this
135 section, there is hereby assessed and levied, to be collected and
136 paid as hereinafter provided, for the calendar year 1983 and
137 fiscal years ending during the calendar year 1983 and all taxable
138 years thereafter, upon the entire net income of every resident
139 individual, corporation, association, trust or estate, in excess
140 of the credits provided, a tax at the following rates:



141 (i) 1. Through calendar year 2017, on the first
142 Five Thousand Dollars (\$5,000.00) of taxable income, or any part
143 thereof, the rate shall be three percent (3%);

144 2. For calendar year 2018, on the first One
145 Thousand Dollars (\$1,000.00) of taxable income there shall be no
146 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
147 taxable income, or any part thereof, the rate shall be three
148 percent (3%);

149 3. For calendar year 2019, on the first Two
150 Thousand Dollars (\$2,000.00) of taxable income there shall be no
151 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
152 taxable income, or any part thereof, the rate shall be three
153 percent (3%);

154 4. For calendar year 2020, on the first Three
155 Thousand Dollars (\$3,000.00) of taxable income there shall be no
156 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
157 taxable income, or any part thereof, the rate shall be three
158 percent (3%);

159 5. For calendar year 2021, on the first Four
160 Thousand Dollars (\$4,000.00) of taxable income there shall be no
161 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
162 taxable income, or any part thereof, the rate shall be three
163 percent (3%);



164 6. For calendar year 2022 and all taxable
165 years thereafter, there shall be no tax levied on the first Five
166 Thousand Dollars (\$5,000.00) of taxable income;

167 (ii) On taxable income in excess of Five Thousand
168 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
169 (\$10,000.00), or any part thereof, the rate shall be four percent
170 (4%); and

171 (iii) On all taxable income in excess of Ten Thousand
172 Dollars (\$10,000.00), the rate shall be five percent (5%).

173 (b) (i) For calendar year 2023 and all calendar years
174 thereafter, there shall be no tax levied under subparagraph (ii)
175 of paragraph (a) of this subsection on the taxable income of
176 individuals in excess of Five Thousand Dollars (\$5,000.00) up to
177 and including Ten Thousand Dollars (\$10,000.00), or any part
178 thereof; and

179 (ii) For calendar year 2024 and all calendar years
180 thereafter, the tax imposed under subparagraph (iii) of paragraph
181 (a) of this subsection upon all taxable income of individuals in
182 excess of Ten Thousand Dollars (\$10,000.00), shall be at the
183 following rates:

184 1. For calendar year 2024, on such taxable
185 income, the rate shall be four and seven-tenths percent (4.7%);

186 2. For calendar year 2025, on such taxable
187 income, the rate shall be four and four-tenths percent

188 (4.4%); * * *



189 3. For calendar year 2026 * * *, on such
190 taxable income, the rate shall be four percent (4%) * * *;

191 4. For calendar year 2027, on such taxable
192 income, the rate shall be three and three-quarters percent
193 (3.75%);

194 5. For calendar year 2028, on such taxable
195 income, the rate shall be three and one-half percent (3.5%);

196 6. For calendar year 2029, on such taxable
197 income, the rate shall be three and one-quarter percent (3.25%);
198 and

199 7. For calendar year 2030 and all calendar
200 years thereafter, except as otherwise provided in Section 2 of
201 this act, on such taxable income, the rate shall be three percent
202 (3%).

203 * * *

204 (2) An S corporation, as defined in Section 27-8-3(1)(g),
205 shall not be subject to the income tax imposed under this section.

206 (3) A like tax is hereby imposed to be assessed, collected
207 and paid annually, except as hereinafter provided, at the rate
208 specified in this section and as hereinafter provided, upon and
209 with respect to the entire net income, from all property owned or
210 sold, and from every business, trade or occupation carried on in
211 this state by individuals, corporations, partnerships, trusts or
212 estates, not residents of the State of Mississippi.



213 (4) In the case of taxpayers having a fiscal year beginning
214 in a calendar year with a rate in effect that is different than
215 the rate in effect for the next calendar year and ending in the
216 next calendar year, the tax due for that taxable year shall be
217 determined by:

218 (a) Computing for the full fiscal year the amount of
219 tax that would be due under the rates in effect for the calendar
220 year in which the fiscal year begins; and

221 (b) Computing for the full fiscal year the amount of
222 tax that would be due under the rates in effect for the calendar
223 year in which the fiscal year ends; and

224 (c) Applying to the tax computed under paragraph (a)
225 the ratio which the number of months falling within the earlier
226 calendar year bears to the total number of months in the fiscal
227 year; and

228 (d) Applying to the tax computed under paragraph (b)
229 the ratio which the number of months falling within the later
230 calendar year bears to the total number of months within the
231 fiscal year; and

232 (e) Adding to the tax determined under paragraph (c)
233 the tax determined under paragraph (d) the sum of which shall be
234 the amount of tax due for the fiscal year.

235 **SECTION 2.** (1) As used in this section:

236 (a) "Adjusted General Fund Revenue Collections" means
237 State General Fund revenue collections adjusted by removing any



238 nonrecurring State General Fund revenue collections, which figure
239 shall be provided annually to the commissioner by the Legislative
240 Budget Office on or before October 1 for the prior fiscal year
241 (beginning October 1, 2029, for fiscal year 2029 revenue
242 collections) and presented at the next meeting of the Joint
243 Legislative Budget Committee.

244 (b) "Appropriations" means the total amount contained
245 in all deficit appropriations bills, regardless of the source
246 fund, and all General Fund appropriation bills passed into law,
247 but not including appropriations for the Public Employees'
248 Retirement System of Mississippi, which figure shall be provided
249 annually to the commissioner by the Legislative Budget Office on
250 or before October 1 for the current fiscal year (beginning October
251 1, 2029, for fiscal year 2030 appropriations) and presented at the
252 next meeting of the Joint Legislative Budget Committee.

253 (c) "Cost of a one percent (1%) cut" means the
254 reduction in individual income tax collections that would result
255 from a one percent (1%) reduction in the tax on all taxable income
256 of individuals in excess of Ten Thousand Dollars (\$10,000.00),
257 which figure shall be provided annually by the commissioner to the
258 Legislative Budget Office on or before December 15, based on data
259 from the prior calendar year (beginning December 15, 2029, for
260 calendar year 2028); however, if any filing extensions were
261 granted by the commissioner under Section 27-7-50, the
262 commissioner shall provide the Legislative Budget Office with an



263 updated cost of a one percent (1%) cut before the end of the next
264 regular legislative session.

265 (2) For calendar year 2031 and any calendar year thereafter,
266 if the Working Cash-Stabilization Reserve Fund is fully funded as
267 provided in Section 27-103-213, the tax imposed under Section
268 27-7-5(b) (ii) on all taxable income of individuals in excess of
269 Ten Thousand Dollars (\$10,000.00) shall be reduced by a percentage
270 as indicated below, depending on the percentage by which the
271 Adjusted General Fund Revenue Collections for a fiscal year
272 (beginning with fiscal year 2029) exceed the Appropriations for
273 the following fiscal year (beginning with fiscal year 2030):

274 (a) If the excess is at least eighty-five
275 one-hundredths percent (0.85%), but less than one percent (1%), of
276 the cost of a one percent (1%) cut, the tax shall be reduced by
277 two-tenths percent (0.2%);

278 (b) If excess is at least one percent (1%), but less
279 than one and fifteen one-hundredths percent (1.15%), of the cost
280 of a one percent (1%) cut, the tax shall be reduced by one-quarter
281 percent (0.25%); and

282 (c) If excess is at least one and fifteen
283 one-hundredths percent (1.15%) of the cost of a one percent (1%)
284 cut, the tax shall be reduced by three-tenths percent (0.3%).

285 (3) The tax reduction provided for in this section shall be
286 effective for the calendar year beginning after the close of the



287 fiscal year pertaining to the Appropriations figure used in the
288 calculation for subsection (2) of this section.

289 (4) When the application of the tax reduction provided for
290 in this section results in a tax of zero percent (0%) on all
291 taxable income of individuals in excess of Ten Thousand Dollars
292 (\$10,000.00), such tax shall be eliminated.

293 **SECTION 3.** Section 27-65-17, Mississippi Code of 1972, is
294 amended as follows:

295 27-65-17. (1) (a) Except as otherwise provided in this
296 section, upon every person engaging or continuing within this
297 state in the business of selling any tangible personal property
298 whatsoever there is hereby levied, assessed and shall be collected
299 a tax equal to seven percent (7%) of the gross proceeds of the
300 retail sales of the business.

301 (b) Retail sales of farm tractors and parts and labor
302 used to maintain and/or repair such tractors shall be taxed at the
303 rate of one and one-half percent (1-1/2%) when made to farmers for
304 agricultural purposes.

305 (c) (i) Retail sales of farm implements sold to
306 farmers and used directly in the production of poultry, ratite,
307 domesticated fish as defined in Section 69-7-501, livestock,
308 livestock products, agricultural crops or ornamental plant crops
309 or used for other agricultural purposes, and parts and labor used
310 to maintain and/or repair such implements, shall be taxed at the
311 rate of one and one-half percent (1-1/2%) when used on the farm.



312 (ii) The one and one-half percent (1-1/2%) rate
313 shall also apply to all equipment used in logging, pulpwood
314 operations or tree farming, and parts and labor used to maintain
315 and/or repair such equipment, which is either:

- 316 1. Self-propelled, or
317 2. Mounted so that it is permanently attached
318 to other equipment which is self-propelled or attached to other
319 equipment drawn by a vehicle which is self-propelled.

320 In order to be eligible for the rate of tax provided for in
321 this subparagraph (ii), such sales must be made to a professional
322 logger. For the purposes of this subparagraph (ii), a
323 "professional logger" is a person, corporation, limited liability
324 company or other entity, or an agent thereof, who possesses a
325 professional logger's permit issued by the Department of Revenue
326 and who presents the permit to the seller at the time of purchase.
327 The department shall establish an application process for a
328 professional logger's permit to be issued, which shall include a
329 requirement that the applicant submit a copy of documentation
330 verifying that the applicant is certified according to Sustainable
331 Forestry Initiative guidelines. Upon a determination that an
332 applicant is a professional logger, the department shall issue the
333 applicant a numbered professional logger's permit.

334 (d) Except as otherwise provided in subsection (3) of
335 this section, retail sales of aircraft, automobiles, trucks,



336 truck-tractors, semitrailers and manufactured or mobile homes
337 shall be taxed at the rate of three percent (3%).

338 (e) Sales of manufacturing machinery or manufacturing
339 machine parts when made to a manufacturer or custom processor for
340 plant use only when the machinery and machine parts will be used
341 exclusively and directly within this state in manufacturing a
342 commodity for sale, rental or in processing for a fee shall be
343 taxed at the rate of one and one-half percent (1-1/2%).

344 (f) Sales of machinery and machine parts when made to a
345 technology intensive enterprise for plant use only when the
346 machinery and machine parts will be used exclusively and directly
347 within this state for industrial purposes, including, but not
348 limited to, manufacturing or research and development activities,
349 shall be taxed at the rate of one and one-half percent (1-1/2%).
350 In order to be considered a technology intensive enterprise for
351 purposes of this paragraph:

352 (i) The enterprise shall meet minimum criteria
353 established by the Mississippi Development Authority;

354 (ii) The enterprise shall employ at least ten (10)
355 persons in full-time jobs;

356 (iii) At least ten percent (10%) of the workforce
357 in the facility operated by the enterprise shall be scientists,
358 engineers or computer specialists;

359 (iv) The enterprise shall manufacture plastics,
360 chemicals, automobiles, aircraft, computers or electronics; or



361 shall be a research and development facility, a computer design or
362 related facility, or a software publishing facility or other
363 technology intensive facility or enterprise as determined by the
364 Mississippi Development Authority;

365 (v) The average wage of all workers employed by
366 the enterprise at the facility shall be at least one hundred fifty
367 percent (150%) of the state average annual wage; and

368 (vi) The enterprise must provide a basic health
369 care plan to all employees at the facility.

370 A medical cannabis establishment, as defined in the
371 Mississippi Medical Cannabis Act, shall not be considered to be a
372 technology intensive enterprise for the purposes of this paragraph
373 (f).

374 (g) Sales of materials for use in track and track
375 structures to a railroad whose rates are fixed by the Interstate
376 Commerce Commission or the Mississippi Public Service Commission
377 shall be taxed at the rate of three percent (3%).

378 (h) Sales of tangible personal property to electric
379 power associations for use in the ordinary and necessary operation
380 of their generating or distribution systems shall be taxed at the
381 rate of one percent (1%).

382 (i) Wholesale sales of food and drink for human
383 consumption to full-service vending machine operators to be sold
384 through vending machines located apart from and not connected with



385 other taxable businesses shall be taxed at the rate of eight
386 percent (8%).

387 (j) Sales of equipment used or designed for the purpose
388 of assisting disabled persons, such as wheelchair equipment and
389 lifts, that is mounted or attached to or installed on a private
390 carrier of passengers or light carrier of property, as defined in
391 Section 27-51-101, at the time when the private carrier of
392 passengers or light carrier of property is sold shall be taxed at
393 the same rate as the sale of such vehicles under this section.

394 (k) Sales of the factory-built components of modular
395 homes, panelized homes and precut homes, and panel constructed
396 homes consisting of structural insulated panels, shall be taxed at
397 the rate of three percent (3%).

398 (l) Sales of materials used in the repair, renovation,
399 addition to, expansion and/or improvement of buildings and related
400 facilities used by a dairy producer shall be taxed at the rate of
401 three and one-half percent (3-1/2%). For the purposes of this
402 paragraph (l), "dairy producer" means any person engaged in the
403 production of milk for commercial use.

404 (m) Sales of equipment and materials used in connection
405 with geophysical surveying, exploring, developing, drilling,
406 redrilling, completing, working over, producing, distributing, or
407 testing of oil, gas and other mineral resources shall be taxed at
408 the rate of four and one-half percent (4-1/2%). Operators that
409 rebill sales of equipment and materials to nonoperating working



410 interest owners on behalf of a joint account through the joint
411 interest billing (JIB), where the sales tax has been paid or
412 accrued by the operator shall not be charged a sales tax on the
413 JIB as services income.

414 (n) Retail sales of food or drink for human consumption
415 not purchased with food stamps issued by the United States
416 Department of Agriculture or other federal agency, but which would
417 be exempt under Section 27-65-111(o) from the taxes imposed by
418 this chapter if the food items were purchased with food stamps,
419 shall be taxed at the rate of five percent (5%) from and after
420 July 1, 2025.

421 (2) From and after January 1, 1995, retail sales of private
422 carriers of passengers and light carriers of property, as defined
423 in Section 27-51-101, shall be taxed an additional two percent
424 (2%).

425 (3) A manufacturer selling at retail in this state shall be
426 required to make returns of the gross proceeds of such sales and
427 pay the tax imposed in this section.

428 **SECTION 4.** Section 27-65-241, Mississippi Code of 1972, is
429 amended as follows:

430 27-65-241. (1) As used in this section, the following terms
431 shall have the meanings ascribed to them in this section unless
432 otherwise clearly indicated by the context in which they are used:

433 (a) "Hotel" or "motel" means and includes a place of
434 lodging that at any one time will accommodate transient guests on



435 a daily or weekly basis and that is known to the trade as such.
436 Such terms shall not include a place of lodging with ten (10) or
437 less rental units.

438 (b) "Municipality" means any municipality in the State
439 of Mississippi with a population of one hundred fifty thousand
440 (150,000) or more according to the most recent federal decennial
441 census.

442 (c) "Restaurant" means and includes all places where
443 prepared food is sold and whose annual gross proceeds of sales or
444 gross income for the preceding calendar year equals or exceeds One
445 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
446 shall not include any nonprofit organization that is exempt from
447 federal income taxation under Section 501(c)(3) of the Internal
448 Revenue Code. For the purpose of calculating gross proceeds of
449 sales or gross income, the sales or income of all establishments
450 owned, operated or controlled by the same person, persons or
451 corporation shall be aggregated.

452 (2) (a) Subject to the provisions of this section, the
453 governing authorities of a municipality may impose upon all
454 persons as a privilege for engaging or continuing in business or
455 doing business within such municipality, a special sales tax at
456 the rate of not more than one percent (1%) of the gross proceeds
457 of sales or gross income of the business, as the case may be,
458 derived from any of the activities taxed at the rate of seven



459 percent (7%) or more under the Mississippi Sales Tax Law, Section
460 27-65-1 et seq.

461 (b) The tax levied under this section shall apply to
462 every person making sales of tangible personal property or
463 services within the municipality but shall not apply to:

464 (i) Sales exempted by Sections 27-65-19,
465 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
466 27-65-111 of the Mississippi Sales Tax Law;

467 (ii) Gross proceeds of sales or gross income of
468 restaurants derived from the sale of food and beverages;

469 (iii) Gross proceeds of sales or gross income of
470 hotels and motels derived from the sale of hotel rooms and motel
471 rooms for lodging purposes;

472 * * *

473 (* * * iv) Gross income of businesses engaging or
474 continuing in the business of TV cable systems, subscription TV
475 services, and other similar activities, including, but not limited
476 to, cable Internet services;

477 (* * * y) Wholesale sales of food and drink for
478 human consumption sold to full service vending machine operators;
479 and

480 (* * * vi) Wholesale sales of light wine, light
481 spirit product, beer and alcoholic beverages.

482 (3) (a) Before any tax authorized under this section may be
483 imposed, the governing authorities of the municipality shall adopt



484 a resolution declaring its intention to levy the tax, setting
485 forth the amount of the tax to be imposed, the purposes for which
486 the revenue collected pursuant to the tax levy may be used and
487 expended, the date upon which the tax shall become effective, the
488 date upon which the tax shall be repealed, and calling for an
489 election to be held on the question. The date of the election
490 shall be set in the resolution. Notice of the election shall be
491 published once each week for at least three (3) consecutive weeks
492 in a newspaper published or having a general circulation in the
493 municipality, with the first publication of the notice to be made
494 not less than twenty-one (21) days before the date fixed in the
495 resolution for the election and the last publication to be made
496 not more than seven (7) days before the election. At the
497 election, all qualified electors of the municipality may vote.
498 The ballots used at the election shall have printed thereon a
499 brief description of the sales tax, the amount of the sales tax
500 levy, a description of the purposes for which the tax revenue may
501 be used and expended and the words "FOR THE LOCAL SALES TAX" and
502 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
503 a cross (X) or check mark (✓) opposite his choice on the
504 proposition. When the results of the election have been canvassed
505 by the election commissioners of the municipality and certified by
506 them to the governing authorities, it shall be the duty of such
507 governing authorities to determine and adjudicate whether at least
508 three-fifths (3/5) of the qualified electors who voted in the



509 election voted in favor of the tax. If at least three-fifths
510 (3/5) of the qualified electors who voted in the election voted in
511 favor of the tax, the governing authorities shall adopt a
512 resolution declaring the levy and collection of the tax provided
513 in this section and shall set the first day of the second month
514 following the date of such adoption as the effective date of the
515 tax levy. A certified copy of this resolution, together with the
516 result of the election, shall be furnished to the Department of
517 Revenue not less than thirty (30) days before the effective date
518 of the levy.

519 (b) A municipality shall not hold more than two (2)
520 elections under this subsection.

521 (4) The revenue collected pursuant to the tax levy imposed
522 under this section may be expended to pay the cost of road and
523 street repair, reconstruction and resurfacing projects based on
524 traffic patterns, need and usage, and to pay the costs of water,
525 sewer and drainage projects in accordance with a master plan
526 adopted by the commission established pursuant to subsection (7).

527 (5) (a) The special sales tax authorized by this section
528 shall be collected by the Department of Revenue, shall be
529 accounted for separately from the amount of sales tax collected
530 for the state in the municipality and shall be paid to the
531 municipality. The Department of Revenue may retain one percent
532 (1%) of the proceeds of such tax for the purpose of defraying the
533 costs incurred by the department in the collection of the tax.



534 Payments to the municipality shall be made by the Department of
535 Revenue on or before the fifteenth day of the month following the
536 month in which the tax was collected. However, if a municipality
537 fails to comply with the audit, reporting and/or report filing
538 requirements of paragraph (b) of this subsection and does not
539 remedy such noncompliance within thirty (30) days after receiving
540 written notice of noncompliance, the Department of Revenue shall
541 withhold payments otherwise payable to the municipality under this
542 paragraph (a) until the department receives written notice that
543 the municipality has complied with such requirements.

544 (b) The proceeds of the special sales tax shall be
545 placed into a special municipal fund apart from the municipal
546 general fund and any other funds of the municipality, and shall be
547 expended by the municipality solely for the purposes authorized in
548 subsection (4) of this section. The records reflecting the
549 receipts and expenditures of the revenue from the special sales
550 tax shall be provided in detail to the members of the commission
551 monthly, to include the name of the vendor and the project, and
552 the dates and amounts received and paid, and shall also be audited
553 annually by an independent certified public accountant. The
554 accountant shall make a report of his findings to the governing
555 authorities of the municipality and file a copy of his report with
556 the Secretary of the Senate and the Clerk of the House of
557 Representatives and the commission members. The audit shall be
558 made and completed as soon as practical after the close of the



559 fiscal year of the municipality, and expenses of the audit shall
560 be paid from the funds derived by the municipality pursuant to
561 this section.

562 (c) Any expenditure from the special municipal fund
563 defined in paragraph (b) above that was not for a project approved
564 by the commission, or was in excess of the amount approved by the
565 commission, shall be reimbursed by the city to the special fund.

566 (d) All provisions of the Mississippi Sales Tax Law
567 applicable to filing of returns, discounts to the taxpayer,
568 remittances to the Department of Revenue, enforced collection,
569 rights of taxpayers, recovery of improper taxes, refunds of
570 overpaid taxes or other provisions of law providing for imposition
571 and collection of the state sales tax shall apply to the special
572 sales tax authorized by this section, except where there is a
573 conflict, in which case the provisions of this section shall
574 control. Any damages, penalties or interest collected for the
575 nonpayment of taxes imposed under this section, or for
576 noncompliance with the provisions of this section, shall be paid
577 to the municipality on the same basis and in the same manner as
578 the tax proceeds. Any overpayment of tax for any reason that has
579 been disbursed to a municipality or any payment of the tax to a
580 municipality in error may be adjusted by the Department of Revenue
581 on any subsequent payment to the municipality pursuant to the
582 provisions of the Mississippi Sales Tax Law. The Department of
583 Revenue may, from time to time, make such rules and regulations



584 not inconsistent with this section as may be deemed necessary to
585 carry out the provisions of this section, and such rules and
586 regulations shall have the full force and effect of law.

587 (6) If a municipality expands its corporate boundaries, the
588 governing authorities of the municipality may not impose the
589 special sales tax in the annexed area unless the tax is approved
590 at an election conducted, as far as is practicable, in the manner
591 provided in subsection (3) of this section, except that only
592 qualified electors in the annexed area may vote in the election.

593 (7) (a) Any municipality that levies the special sales tax
594 authorized under this section shall establish a commission as
595 provided for in this section. Expenditures of revenue from the
596 special sales tax authorized by this section shall be in
597 accordance with a master plan adopted by the commission pursuant
598 to this subsection.

599 (b) The commission shall be composed of ten (10) voting
600 members who shall be known as commissioners appointed as follows:

601 (i) Four (4) members representing the business
602 community in the municipality appointed by the local chamber of
603 commerce for initial terms of one (1), two (2), four (4) and five
604 (5) years respectively. The members appointed pursuant to this
605 paragraph shall be persons who represent businesses located within
606 the city limits of the municipality.

607 (ii) Three (3) members shall be appointed at large
608 by the mayor of the municipality, with the advice and consent of



609 the legislative body of the municipality, for initial terms of two
610 (2), three (3) and four (4) years respectively. All appointments
611 made by the mayor pursuant to this paragraph shall be residents of
612 the municipality.

613 (iii) One (1) member shall be appointed at large
614 by the Governor for an initial term of four (4) years. All
615 appointments made by the Governor pursuant to this paragraph shall
616 be residents of the municipality.

617 (iv) One (1) member shall be appointed at large by
618 the Lieutenant Governor for an initial term of four (4) years.
619 All appointments made by the Lieutenant Governor pursuant to this
620 paragraph shall be residents of the municipality.

621 (v) One (1) member shall be appointed at large by
622 the Speaker of the House of Representatives for a term of four (4)
623 years. All appointments made by the Speaker of the House of
624 Representatives pursuant to this paragraph shall be residents of
625 the municipality.

626 (c) The terms of all appointments made subsequent to
627 the initial appointment shall be made for five (5) years. Any
628 vacancy which may occur shall be filled in the same manner as the
629 original appointment and shall be made for the unexpired term.

630 (d) The mayor of the municipality shall designate a
631 chairman of the commission from among the membership of the
632 commission. The vice chairman and secretary shall be elected by
633 the commission from among the membership of the commission for a



634 term of two (2) years. The vice chairman and secretary may be
635 reelected, and the chairman may be reappointed.

636 (e) The commissioners shall serve without compensation.

637 (f) Any commissioner shall be disqualified and shall be
638 removed from office for either of the following reasons:

639 (i) Conviction of a felony in any state court or
640 in federal court; or

641 (ii) Failure to attend three (3) consecutive
642 meetings without just cause.

643 If a commissioner is removed for any of the above reasons,
644 the vacancy shall be filled in the manner prescribed in this
645 section and shall be made for the unexpired term.

646 (g) A quorum shall consist of six (6) voting members of
647 the commission. The commission shall adopt such rules and
648 regulations as may govern the time and place for holding meetings,
649 regular and special.

650 (h) The commission shall, with input from the
651 municipality, establish a master plan for road and street repair,
652 reconstruction and resurfacing projects based on traffic patterns,
653 need and usage, and for water, sewer and drainage projects.
654 Expenditures of the revenue from the tax authorized to be imposed
655 pursuant to this section shall be made at the discretion of the
656 governing authorities of the municipality if the expenditures
657 comply with the master plan. The commission shall monitor the
658 compliance of the municipality with the master plan.



659 (8) The governing authorities of any municipality that
660 levies the special sales tax authorized under this section are
661 authorized to incur debt, including bonds, notes or other
662 evidences of indebtedness, for the purpose of paying the costs of
663 road and street repair, reconstruction and resurfacing projects
664 based on traffic patterns, need and usage, and to pay the costs of
665 water, sewer and drainage projects in accordance with a master
666 plan adopted by the commission established pursuant to subsection
667 (7) of this section. Any bonds or notes issued to pay such costs
668 may be secured by the proceeds of the special sales tax levied
669 pursuant to this section or may be general obligations of the
670 municipality and shall satisfy the requirements for the issuance
671 of debt provided by Sections 21-33-313 through 21-33-323.

672 (9) This section shall stand repealed from and after July 1,
673 2035.

674 **SECTION 5.** Section 27-67-5, Mississippi Code of 1972, is
675 brought forward as follows:

676 27-67-5. There is hereby levied, assessed and shall be
677 collected from every person a tax for the privilege of using,
678 storing or consuming, within this state, any tangible personal
679 property or specified digital product possession of which is
680 acquired in any manner.

681 (a) The use tax hereby imposed and levied shall be
682 collected at the same rates as imposed under Section 27-65-20, and
683 Sections 27-65-17, 27-65-18, 27-65-19, 27-65-24, 27-65-25 and



684 27-65-26 computed on the purchase or sales price, or value, as
685 defined in this article.

686 (b) It shall be the duty of the tax collectors of the
687 several counties, or the commissioner, as the case may be, to
688 collect, remit and account for the tax on the use of all vehicles
689 licensed or registered by the State of Mississippi for the first
690 time, except when the Mississippi use tax was collected by an
691 authorized out-of-state dealer at the time of purchase, or when
692 the use thereof was exempt by Section 27-67-7. The tax collector
693 or the commissioner shall give to the person registering the
694 vehicle a receipt in a form prescribed and furnished by the
695 Department of Revenue for the amount of tax collected.

696 The tax collector or the commissioner is expressly prohibited
697 from issuing a license tag to any applicant without collecting the
698 tax levied by this article, unless positive proof is filed,
699 together with the application for the license tag, that the
700 Mississippi tax has been paid, or that the sale was exempt by
701 Section 27-67-7.

702 Persons not engaging and continuing in business so as to be
703 registered for payment of sales and/or use tax may pay use tax due
704 on the first use of boats, airplanes, equipment or other tangible
705 personal property and specified digital products to county tax
706 collectors who are hereby authorized to accept such payments on
707 behalf of the commissioner. Receipts for all such payments shall



708 be given to taxpayers in a form prescribed and furnished by the
709 Department of Revenue.

710 County tax collectors and the commissioner shall be liable
711 for the tax they are required hereby to collect, and taxes which
712 are in fact collected under authority of this section; and failure
713 to properly collect or maintain proper records shall not relieve
714 them of liability for payment to the commissioner. Deficiencies
715 in collection or payment shall be assessed against the tax
716 collector or the commissioner in the same manner and subject to
717 the same penalties and provisions for appeal as are deficiencies
718 assessed against taxpayers.

719 A dealer authorized to collect and remit the tax to the
720 Department of Revenue shall give to the purchaser a receipt for
721 the payment of the tax, in a form prescribed and furnished by the
722 commissioner, which shall serve as proof of payment to the tax
723 collector of the county in which the license is to be issued.

724 Each tax collector of the several counties shall, on or
725 before the twentieth day of each month, file a report with and pay
726 to the commissioner all funds collected under the provisions of
727 this article, less a commission of five percent (5%) which shall
728 be retained by the tax collector as a commission for collecting
729 such tax and be deposited in the county general fund. The report
730 required to be filed shall cover all collections made during the
731 calendar month next preceding the date on which the report is due
732 and filed.



733 Any error in the report and remittance to the commissioner
734 may be adjusted on a subsequent report. If the error was in the
735 collection by the tax collector, it shall be adjusted through the
736 tax collector with the taxpayer before credit is allowed by the
737 commissioner.

738 All information relating to the collection of use tax by tax
739 collectors and such records as the commissioner may require shall
740 be preserved in the tax collector's office for a period of three
741 (3) years for audit by the commissioner.

742 Computer software maintained on a server located outside the
743 state and accessible for use only via the internet is not a
744 taxable use, storage or consumption under this chapter.

745 **SECTION 6.** Section 27-55-11, Mississippi Code of 1972, is
746 amended as follows:

747 27-55-11. Any person in business as a distributor of
748 gasoline or who acts as a distributor of gasoline, as defined in
749 this article, shall pay for the privilege of engaging in such
750 business or acting as such distributor an excise tax equal to
751 Eighteen Cents (18¢) per gallon through June 30, 2025, Twenty-one
752 Cents (21¢) per gallon from July 1, 2025, through June 30, 2026,
753 Twenty-four Cents (24¢) per gallon from July 1, 2026, through June
754 30, 2027, Twenty-seven Cents (27¢) per gallon from July 1, 2027,
755 until the date specified in Section 65-39-35, and Fourteen and
756 Four-tenths Cents (14.4¢) per gallon thereafter, on all gasoline
757 and blend stock stored, sold, distributed, manufactured, refined,



758 distilled, blended or compounded in this state or received in this
759 state for sale, use on the highways, storage, distribution, or for
760 any purpose.

761 Any person in business as a distributor of aviation gasoline,
762 or who acts as a distributor of aviation gasoline, shall pay for
763 the privilege of engaging in such business or acting as such
764 distributor an excise tax equal to Six and Four-tenths Cents
765 (6.4¢) per gallon on all aviation gasoline stored, sold,
766 distributed, manufactured, refined, distilled, blended or
767 compounded in this state or received in this state for sale,
768 storage, distribution or for any purpose.

769 Beginning July 1, 2029, and on July 1 of every other year
770 thereafter, the excise tax rate provided in this section shall be
771 adjusted by the percentage change in the yearly average of the
772 National Highway Construction Cost Index (NHCCI) issued by the
773 U.S. Federal Highway Administration (FHWA) for the most recent
774 twelve-month published period ending December 31, compared to the
775 base year average, which is the average for the twelve-month
776 period ending December 31, 2025, and rounded to the nearest whole
777 cent. The maximum amount of increase in the excise tax rate shall
778 not exceed One Cent (1¢) per net gallon of gasoline or special
779 fuel and shall take effect every other year. The Department of
780 Revenue shall notify each terminal supplier, position holder,
781 licensed distributors distributor, and importer of the tax rate
782 adjustment applicable under this paragraph on or before March 1.



783 The excise taxes collected under this section shall be paid
784 and distributed in accordance with Section 27-5-101.

785 The tax herein imposed and assessed shall be collected and
786 paid to the State of Mississippi but once in respect to any
787 gasoline. The basis for determining the tax liability shall be
788 the correct invoiced gallons, adjusted to sixty (60) degrees
789 Fahrenheit at the refinery or point of origin of shipment when
790 such shipment is made by tank car or by motor carrier. The point
791 of origin of shipment of gasoline transported into this state by
792 pipelines shall be deemed to be that point in this state where
793 such gasoline is withdrawn from the pipeline for storage or
794 distribution, and adjustment to sixty (60) degrees Fahrenheit
795 shall there be made. The basis for determining the tax liability
796 on gasoline shipped into this state in barge cargoes and by
797 pipeline shall be the actual number of gallons adjusted to sixty
798 (60) degrees Fahrenheit unloaded into storage tanks or other
799 containers in this state, such gallonage to be determined by
800 measurement and/or gauge of storage tank or tanks or by any other
801 method authorized by the commission. The tank or tanks into which
802 barge cargoes of gasoline are discharged, or into which gasoline
803 transported by pipeline is discharged, shall have correct gauge
804 tables listing capacity, such gauge tables to be prepared by some
805 recognized calibrating agency and to be approved by the
806 commission.



807 The tax levied herein shall accrue at the time gasoline is
808 withdrawn from a refinery in this state except when withdrawal is
809 by pipeline, barge, ship or vessel. The refiner shall pay to the
810 commission the tax levied herein when gasoline is sold or
811 delivered to persons who do not hold gasoline distributor permits.
812 The refiner shall report to the commission all sales and
813 deliveries of gasoline to bonded distributors of gasoline. The
814 bonded distributor of gasoline who purchases, receives or acquires
815 gasoline from a refinery in this state shall report such gasoline
816 and pay the tax levied herein.

817 Gasoline imported by common carrier shall be deemed to be
818 received by the distributor of gasoline, and the tax levied herein
819 shall accrue, when the car or tank truck containing such gasoline
820 is unloaded by the carrier.

821 With respect to distributors or other persons who bring,
822 ship, have transported, or have brought into this state gasoline
823 by means other than through a common carrier, the tax accrues and
824 the tax liability attaches on the distributor or other person for
825 each gallon of gasoline brought into the state at the time when
826 and at the point where such gasoline is brought into the state.

827 The tax levied herein shall accrue on blend stock at the time
828 it is blended with gasoline. The blender shall pay to the
829 commission the tax levied herein when blend stock is sold or
830 delivered to persons who do not hold gasoline distributor permits.
831 The blender shall report to the commission all sales and



832 deliveries of blend stock to bonded distributors of gasoline. The
833 bonded distributor of gasoline who purchases, receives or acquires
834 blend stock from a blender in this state shall report blend stock
835 and pay the tax levied herein.

836 **SECTION 7.** Section 27-55-519, Mississippi Code of 1972, is
837 amended as follows:

838 27-55-519. (1) Any person engaged in business as a
839 distributor of special fuel or who acts as a distributor of
840 special fuel, as defined in this article, shall pay for the
841 privilege of engaging in such business or acting as such
842 distributor an excise tax on all special fuel stored, used, sold,
843 distributed, manufactured, refined, distilled, blended or
844 compounded in this state or received in this state for sale,
845 storage, distribution or for any purpose, adjusted to sixty (60)
846 degrees Fahrenheit.

847 The excise tax shall become due and payable when:

848 (a) Special fuel is withdrawn from storage at a
849 refinery, marine or pipeline terminal, except when withdrawal is
850 by barge or pipeline.

851 (b) Special fuel imported by a common carrier is
852 unloaded by that carrier unless the special fuel is unloaded
853 directly into the storage tanks of a refinery, marine or pipeline
854 terminal.

855 (c) Special fuel imported by any person other than a
856 common carrier enters the State of Mississippi unless the special



857 fuel is unloaded directly into the storage tanks of a refinery,
858 marine or pipeline terminal.

859 (d) Special fuel is blended in this state unless such
860 blending occurs in a refinery, marine or pipeline terminal.

861 (e) Special fuel is acquired tax free.

862 (2) The special fuel excise tax shall be as follows:

863 (a) * * * On undyed diesel fuel, Eighteen Cents (18¢)
864 per gallon through June 30, 2025, Twenty-one Cents (21¢) per
865 gallon from July 1, 2025, through June 30, 2026, Twenty-four Cents
866 (24¢) per gallon from July 1, 2026, through June 30, 2027,
867 Twenty-seven Cents (27¢) per gallon from July 1, 2027, until the
868 date specified in Section 65-39-35, and Fourteen and Three-fourths
869 Cents (14.75¢) per gallon thereafter;

870 (b) Five and Three-fourths Cents (5.75¢) per gallon on
871 all special fuel except undyed diesel fuel and special fuel used
872 as fuels in aircraft; and

873 (c) Five and One-fourth Cents (5.25¢) per gallon on
874 special fuel used as fuel in aircraft.

875 (3) Beginning July 1, 2029, and on July 1 of every other
876 year thereafter, the excise tax rate provided in this section
877 shall be adjusted by the percentage change in the yearly average
878 of the National Highway Construction Cost Index (NHCCI) issued by
879 the U.S. Federal Highway Administration (FHWA) for the most recent
880 twelve-month published period ending December 31, compared to the
881 base year average, which is the average for the twelve-month



882 period ending December 31, 2025, and rounded to the nearest whole
883 cent. The maximum amount of increase in the excise tax rate shall
884 not exceed One Cent (1¢) per net gallon of gasoline or special
885 fuel and shall take effect every other year. The Department of
886 Revenue shall notify each terminal supplier, position holder,
887 licensed distributors distributor, and importer of the tax rate
888 adjustment applicable under this paragraph on or before March 1.

889 **SECTION 8.** Section 27-55-521, Mississippi Code of 1972, is
890 amended as follows:

891 27-55-521. (1) An excise tax at the rate of Eighteen Cents
892 (18¢) per gallon through June 30, 2025, Twenty-one Cents (21¢) per
893 gallon from July 1, 2025, through June 30, 2026, Twenty-four Cents
894 (24¢) per gallon from July 1, 2026, through June 30, 2027,
895 Twenty-seven Cents (27¢) per gallon from July 1, 2027, until the
896 date specified in Section 65-39-35, * * * and Fourteen and
897 Three-fourths Cents (14.75¢) per gallon thereafter is levied on
898 any person engaged in business as a distributor of special fuel or
899 who acts as such who sells:

900 (a) Special fuel for use in performing contracts for
901 construction, reconstruction, maintenance or repairs, where such
902 contracts are entered into with the State of Mississippi, any
903 political subdivision of the State of Mississippi, or any
904 department, agency, institution of the State of Mississippi or any
905 political subdivision thereof.



906 (b) Dyed diesel fuel or kerosene to a state or local
907 governmental entity for use on the highways in a motor vehicle.

908 (c) Special fuel for use on the highway.

909 (2) An excise tax at the rate of Eighteen Cents (18¢) per
910 gallon through June 30, 2025, Twenty-one Cents (21¢) per gallon
911 from July 1, 2025, through June 30, 2026, Twenty-four Cents (24¢)
912 per gallon from July 1, 2026, through June 30, 2027, Twenty-seven
913 Cents (27¢) per gallon from July 1, 2027, until the date specified
914 in Section 65-39-35, * * * and Fourteen and Three-fourths Cents
915 (14.75¢) per gallon thereafter is levied on any person who:

916 (a) Uses dyed diesel fuel or kerosene in a motor
917 vehicle on the highways of this state in violation of Section
918 27-55-539.

919 (b) Purchases or acquires undyed diesel fuel or
920 kerosene for nonhighway use and subsequently uses such diesel fuel
921 or kerosene in a motor vehicle on the highways of this state.

922 (c) Purchases or acquires special fuel for use in
923 performing contracts as specified in this section.

924 (3) Beginning July 1, 2029, and on July 1 of every other
925 year thereafter, the excise tax rate provided in this section
926 shall be adjusted by the percentage change in the yearly average
927 of the National Highway Construction Cost Index (NHCCI) issued by
928 the U.S. Federal Highway Administration (FHWA) for the most recent
929 twelve-month published period ending December 31, compared to the
930 base year average, which is the average for the twelve-month



931 period ending December 31, 2025, and rounded to the nearest whole
932 cent. The maximum amount of increase in the excise tax rate shall
933 not exceed One Cent (1¢) per net gallon of gasoline or special
934 fuel and shall take effect every other year. The Department of
935 Revenue shall notify each terminal supplier, position holder,
936 licensed distributors distributor, and importer of the tax rate
937 adjustment applicable under this paragraph on or before March 1.

938 **SECTION 9.** Section 27-55-12, Mississippi Code of 1972, is
939 amended as follows:

940 27-55-12. (1) The United States government, the State of
941 Mississippi, counties, municipalities, school districts and all
942 other political subdivisions of the state, and volunteer fire
943 departments chartered under the laws of the State of Mississippi
944 as nonprofit corporations shall be exempt from excise taxes on
945 gasoline, special fuel and compressed gas as follows:

946 (a) From the excise tax rate in excess of Nine Cents
947 (9¢) per gallon of gasoline and from the excise tax rate in excess
948 of One Cent (1¢) per gallon of aviation gasoline levied under
949 Section 27-55-11, Mississippi Code of 1972, Five and Four-tenths
950 Cents (5.4¢) thereof shall be exempt as provided in Section
951 27-55-19, Mississippi Code of 1972.

952 (b) From the excise tax rate in excess of Ten Cents
953 (10¢) per gallon of special fuel levied * * * under Sections
954 27-55-519 and 27-55-521 and subject to reduction on the date



955 specified in Section 65-39-35, Four and Three-fourths Cents
956 (4.75¢) thereof shall be exempt.

957 (c) From the excise tax rate in excess of One Cent (1¢)
958 per gallon of special fuel taxed at Five and Three-fourths Cents
959 (5.75¢) per gallon and from the excise tax rate in excess of
960 One-half Cent (1/2¢) per gallon of special fuel used in aircraft
961 levied under Section 27-55-519, Four and Three-fourths Cents
962 (4.75¢) thereof shall be exempt.

963 (d) From the portion of the excise tax rate on
964 compressed gas used as a motor fuel that exceeds the rate of tax
965 in effect on June 30, 1987, Three Cents (3¢) thereof shall be
966 exempt.

967 (2) The exemption provided in subsection (1) of this section
968 for sales of gasoline, special fuel and compressed gas to
969 volunteer fire departments shall apply only to sales of gasoline,
970 special fuel and compressed gas for use in a vehicle owned by a
971 volunteer fire department and used for department purposes.

972 (3) The exemption provided in subsection (1) of this section
973 for sales of gasoline, special fuel and compressed gas also shall
974 apply to sales of gasoline, special fuel and compressed gas to an
975 entity described in Section 27-51-41(2)(u) for use in buses and
976 other motor vehicles that are exempt from ad valorem taxation
977 under Section 27-51-41(2)(u).

978 (4) Any person other than a bonded distributor of gasoline,
979 bonded distributor of special fuel or bonded distributor of



980 compressed gas who sells or delivers any gasoline, special fuel or
981 compressed gas, subject to the exemption set forth in this
982 section, is required to obtain credit for such exemption from a
983 bonded distributor of gasoline, special fuel or compressed gas.

984 **SECTION 10.** Section 27-55-523, Mississippi Code of 1972, is
985 amended as follows:

986 27-55-523. For the purpose of determining the amount of his
987 liability for the tax imposed by this article, each bonded
988 distributor of special fuel shall, not later than the twentieth
989 day of the month next following the month in which this article
990 becomes effective, and not later than the twentieth day of each
991 month thereafter, file with the department a monthly report which
992 shall include a statement of the number of gallons of special fuel
993 received and sold by such distributor of special fuel within this
994 state during the preceding calendar month, and such other
995 information as may be reasonably necessary for the proper
996 administration of this article.

997 At the time of filing each monthly report with the
998 department, a distributor may take a credit for the number of
999 gallons of special fuel that he purchased during the preceding
1000 calendar month from a distributor who pays the excise tax imposed
1001 by this article on such special fuel.

1002 At the time of filing each monthly report with the
1003 department, each distributor of special fuel shall pay to the



1004 department the full amount of the special fuel tax due from such
1005 distributor for the preceding calendar month.

1006 Reports and payments must be filed electronically by the due
1007 date in order to be considered timely filed, except when the due
1008 date falls on a weekend or holiday, in which case such reports and
1009 payments must be filed electronically by the first working day
1010 following the due date in order to be considered timely filed.

1011 The monthly report of the distributor of special fuel shall
1012 be prepared and filed with the department on forms prescribed by
1013 the department, or the distributor of special fuel may, with the
1014 approval of the department, furnish the required information on
1015 machine-prepared schedules. Such monthly reports or schedules
1016 shall be signed by the distributor or his duly authorized agent
1017 and shall contain a declaration that the statements contained in
1018 such report are true and correct and are made under the penalty of
1019 perjury.

1020 When special fuel, which would otherwise be taxable under the
1021 provisions of this article, is imported, sold, delivered or
1022 exported, under conditions which will exclude such special fuel
1023 from the tax levied under this article by reasons of one or more
1024 of the exemptions provided in this article, deduction for such
1025 exempt special fuel may be taken without prior approval of the
1026 department on the monthly report of the bonded distributor of
1027 special fuel importing, selling, delivering or exporting such



1028 special fuel. Provided, however, that the department may require
1029 proof to be furnished of such deduction for exempt special fuel.

1030 When the Five and Three-fourths Cents (5.75¢) per gallon tax
1031 has accrued or has been paid on special fuel that is taxed * * *
1032 under Sections 27-55-519 and 27-55-521 and subject to reduction on
1033 the date specified in Section 65-39-35, a deduction of Five and
1034 Three-fourths Cents (5.75¢) per gallon may be made.

1035 **SECTION 11.** Section 27-5-101, Mississippi Code of 1972, is
1036 amended as follows:

1037 **[With regard to any county which is exempt from the**
1038 **provisions of Section 19-2-3, this section shall read as follows:]**

1039 27-5-101. Unless otherwise provided in this section, on or
1040 before the fifteenth day of each month, all gasoline, diesel fuel
1041 or kerosene taxes which are levied under the laws of this state
1042 and collected during the previous month shall be paid and
1043 apportioned by the * * * Department of Revenue as follows:

1044 (a) (i) Except as otherwise provided in Section
1045 31-17-127, from the gross amount of gasoline, diesel fuel or
1046 kerosene taxes produced by the state, there shall be deducted an
1047 amount equal to one-sixth (1/6) of principal and interest
1048 certified by the State Treasurer to the * * * Department of
1049 Revenue to be due on the next semiannual bond and interest payment
1050 date, as required under the provisions of Chapter 130, Laws of
1051 1938, and subsequent acts authorizing the issuance of bonds
1052 payable from gasoline, diesel fuel or kerosene tax revenue on a



1053 parity with the bonds issued under authority of said Chapter 130.
1054 The State Treasurer shall certify to the * * * Department of
1055 Revenue on or before the fifteenth day of each month the amount to
1056 be paid to the "Highway Bonds Sinking Fund" as provided by said
1057 Chapter 130, Laws of 1938, and subsequent acts authorizing the
1058 issuance of bonds payable from gasoline, diesel fuel or kerosene
1059 tax revenue, on a parity with the bonds issued under authority of
1060 said Chapter 130; and the * * * Department of Revenue shall, on or
1061 before the twenty-fifth day of each month, pay into the State
1062 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
1063 so certified to him by the State Treasurer due to be paid into
1064 such fund each month. The payments to the "Highway Bonds Sinking
1065 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
1066 tax collections before deductions of any nature are considered;
1067 however, such payments shall be deducted from the allocation to
1068 the Mississippi Department of Transportation under paragraph (c)
1069 of this section.

1070 (ii) From collections derived from the portion of
1071 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
1072 up to and including Eighteen Cents (18¢) per gallon, from the
1073 portion of the tax on aviation gas under Section 27-55-11 that
1074 exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
1075 portion of the special fuel tax levied under Sections 27-55-519
1076 and 27-55-521 * * * that exceeds Ten Cents (10¢) per gallon, up to
1077 and including Eighteen Cents (18¢) per gallon, from the portion of



1078 the taxes levied under Section 27-55-519, at Five and
1079 Three-fourths Cents (5.75¢) per gallon that exceeds One Cent (1¢)
1080 per gallon on special fuel and Five and One-fourth Cents (5.25¢)
1081 per gallon on special fuel used as aircraft fuel, from the portion
1082 of the excise tax on compressed gas used as a motor fuel that
1083 exceeds the rate of tax in effect on June 30, 1987, and from the
1084 portion of the gasoline excise tax in excess of Seven Cents (7¢)
1085 per gallon and the diesel excise tax in excess of Ten Cents (10¢)
1086 per gallon under Section 27-61-5 there shall be deducted:

1087 1. An amount as provided in Section
1088 27-65-75(4) to the credit of a special fund designated as the
1089 "Office of State Aid Road Construction."

1090 2. An amount equal to the tax collections
1091 derived from Two Cents (2¢) per gallon of the gasoline excise tax
1092 for distribution to the State Highway Fund to be used exclusively
1093 for the construction, reconstruction and maintenance of highways
1094 of the State of Mississippi or the payment of interest and
1095 principal on bonds when specifically authorized by the Legislature
1096 for that purpose.

1097 3. The balance shall be deposited in the
1098 State Treasury to the credit of the State Highway Fund.

1099 (iii) From collections derived from the portion of
1100 the gasoline excise tax that exceeds Eighteen Cents (18¢) per
1101 gallon, and from the portion of the special fuel tax levied under
1102 Sections 27-55-519 and 27-55-521 that exceeds Eighteen Cents (18¢)



1103 per gallon, and from the portion of the gasoline excise tax and
1104 the diesel excise tax in excess of Eighteen Cents (18¢) per gallon
1105 under Section 27-61-5, there shall be deducted:

1106 1. Twenty-three and one-fourth percent
1107 (23.25%) of such amount to the credit of a special fund designated
1108 as the "Office of State Aid Road Construction."

1109 2. Two and three-fourths percent (2.75%) of
1110 such amount to the Strategic Multi-Modal Investments Fund created
1111 in Section 65-1-901.

1112 3. Seventy-four percent (74%) of such amount
1113 to the Mississippi Department of Transportation for constructing,
1114 maintaining or improving segments of highways and bridges under
1115 its jurisdiction, and for operational improvements on such
1116 segments, in accordance with a project schedule as reported in the
1117 three-year plan as adopted, amended by or reissued by the
1118 Mississippi Transportation Commission under Section 65-1-141.

1119 (b) Subject to the provisions that said basis of
1120 distribution shall in nowise affect adversely the amount
1121 specifically pledged in paragraph (a) of this section to be paid
1122 into the "Highway Bonds Sinking Fund," the following shall be
1123 deducted from the amount produced by the state tax on gasoline,
1124 diesel fuel or kerosene tax collections, excluding collections
1125 derived from the portion of the gasoline excise tax that exceeds
1126 Seven Cents (7¢) per gallon, from the portion of the tax on
1127 aviation gas under Section 27-55-11 that exceeds Six and



1128 Four-tenths Cents (6.4¢) per gallon, from the portion of the
1129 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
1130 Eighteen Cents (18¢) per gallon that exceeds Ten Cents (10¢) per
1131 gallon, from the portion of the taxes levied under Section
1132 27-55-519, at Five and Three-fourths Cents (5.75¢) per gallon that
1133 exceeds One Cent (1¢) per gallon on special fuel and Five and
1134 One-fourth Cents (5.25¢) per gallon on special fuel used as
1135 aircraft fuel, from the portion of the excise tax on compressed
1136 gas used as a motor fuel that exceeds the rate of tax in effect on
1137 June 30, 1987, and from the portion of the gasoline excise tax in
1138 excess of Seven Cents (7¢) per gallon and the diesel excise tax in
1139 excess of Ten Cents (10¢) per gallon under Section 27-61-5:

1140 (i) Twenty percent (20%) of such amount which
1141 shall be earmarked and set aside for the construction,
1142 reconstruction and maintenance of the highways and roads of the
1143 state, provided that if such twenty percent (20%) should reduce
1144 any county to a lesser amount than that received in the fiscal
1145 year ending June 30, 1966, then such twenty percent (20%) shall be
1146 reduced to a percentage to provide that no county shall receive
1147 less than its portion for the fiscal year ending June 30, 1966;

1148 (ii) The amount allowed as refund on gasoline or
1149 as tax credit on diesel fuel or kerosene used for agricultural,
1150 maritime, industrial, domestic, and nonhighway purposes;

1151 (iii) Five percent (5%) of such amount shall be
1152 paid to the State Highway Fund;



1153 (iv) The amount or portion thereof authorized by
1154 legislative appropriation to the Fisheries and Wildlife Fund
1155 created under Section 59-21-25;

1156 (v) The amount for deposit into the special
1157 aviation fund under paragraph (d) of this section; and

1158 (vi) The remainder shall be divided on a basis of
1159 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
1160 same basis as Four and One-half Cents (4-1/2¢) and Two and
1161 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
1162 six and forty-three one-hundredths (6.43) and three and
1163 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
1164 fuel or kerosene). The amount produced by the nine-fourteenths
1165 (9/14) division shall be allocated to the * * * Department of
1166 Transportation and paid into the State Treasury as provided in
1167 this section and in Section 27-5-103 and the five-fourteenths
1168 (5/14) division shall be returned to the counties of the state on
1169 the following basis:

1170 1. In each fiscal year, each county shall be
1171 paid each month the same percentage of the monthly total to be
1172 distributed as was paid to that county during the same month in
1173 the fiscal year which ended April 9, 1960, until the county
1174 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
1175 fiscal year, at which time funds shall be distributed under the
1176 provisions of paragraph (b) (vi)4 of this section.



1177 2. If after payments in 1 above, any county
1178 has not received a total of One Hundred Ninety Thousand Dollars
1179 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
1180 and each fiscal year thereafter, then any available funds not
1181 distributed under 1 above shall be used to bring such county or
1182 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)
1183 or such funds shall be divided equally among such counties not
1184 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
1185 there is not sufficient money to bring all the counties to said
1186 One Hundred Ninety Thousand Dollars (\$190,000.00).

1187 3. When a county has been paid an amount
1188 equal to the total which was paid to the same county during the
1189 fiscal year ended April 9, 1960, such county shall receive no
1190 further payments during the then current fiscal year until the
1191 last month of such current fiscal year, at which time distribution
1192 will be made under 2 above, except as set out in 4 below.

1193 4. During the last month of the current
1194 fiscal year, should it be determined that there are funds
1195 available in excess of the amount distributed for the year under 1
1196 and 2 above, then such excess funds shall be distributed among the
1197 various counties as follows:

1198 One-third (1/3) of such excess to be
1199 divided equally among the counties;

1200 One-third (1/3) of such excess to be paid
1201 to the counties in the proportion which the population of each



1202 county bears to the total population of the state according to the
1203 last federal census;

1204 One-third (1/3) of such excess to be paid
1205 to the counties in the proportion which the number of square miles
1206 of each county bears to the total square miles in the state.

1207 5. It is the declared purpose and intent of
1208 the Legislature that no county shall be paid less than was paid
1209 during the year ended April 9, 1960, unless the amount to be
1210 distributed to all counties in any year is less than the amount
1211 distributed to all counties during the year ended April 9, 1960.

1212 The Municipal Aid Fund as established by Section 27-5-103
1213 shall not participate in any portion of any funds allocated to any
1214 county hereunder over and above One Hundred Ninety Thousand
1215 Dollars (\$190,000.00).

1216 In any county having countywide road or bridge bonds, or
1217 supervisors district or district road or bridge bonds outstanding,
1218 which exceed, in the aggregate, twelve percent (12%) of the
1219 assessed valuation of the taxable property of the county or
1220 district, it shall be the duty of the board of supervisors to set
1221 aside not less than sixty percent (60%) of such county's share or
1222 district's share of the gasoline, diesel fuel or kerosene taxes to
1223 be used in paying the principal and interest on such road or
1224 bridge bonds as they mature.

1225 In any county having such countywide road or bridge bonds or
1226 district road or bridge bonds outstanding which exceed, in the



1227 aggregate, eight percent (8%) of the assessed valuation of the
1228 taxable property of the county, but which do not exceed, in the
1229 aggregate, twelve percent (12%) of the assessed valuation of the
1230 taxable property of the county, it shall be the duty of the board
1231 of supervisors to set aside not less than thirty-five percent
1232 (35%) of such county's share of the gasoline, diesel fuel or
1233 kerosene taxes to be used in paying the principal and interest of
1234 such road or bridge bonds as they mature.

1235 In any county having such countywide road or bridge bonds or
1236 district road or bridge bonds outstanding which exceed, in the
1237 aggregate, five percent (5%) of the assessed valuation of the
1238 taxable property of the county, but which do not exceed, in the
1239 aggregate, eight percent (8%) of the assessed valuation of the
1240 taxable property of the county, it shall be the duty of the board
1241 of supervisors to set aside not less than twenty percent (20%) of
1242 such county's share of the gasoline, diesel fuel or kerosene taxes
1243 to be used in paying the principal and interest of such road and
1244 bridge bonds as they mature.

1245 In any county having such countywide road or bridge bonds or
1246 district road or bridge bonds outstanding which do not exceed, in
1247 the aggregate, five percent (5%) of the assessed valuation of the
1248 taxable property of the county, it shall be the duty of the board
1249 of supervisors to set aside not less than ten percent (10%) of
1250 such county's share of the gasoline, diesel fuel or kerosene taxes



1251 to be used in paying the principal and interest on such road or
1252 bridge bonds as they mature.

1253 The portion of any such county's share of the gasoline,
1254 diesel fuel or kerosene taxes thus set aside for the payment of
1255 the principal and interest of road or bridge bonds, as provided
1256 for in this section, shall be used first in paying the currently
1257 maturing installments of the principal and interest of such
1258 countywide road or bridge bonds, if there be any such countywide
1259 road or bridge bonds outstanding, and secondly, in paying the
1260 currently maturing installments of principal and interest of
1261 district road or bridge bonds outstanding. It shall be the duty
1262 of the board of supervisors to pay bonds and interest maturing in
1263 each supervisors district out of the supervisors district's share
1264 of the gasoline, diesel fuel or kerosene taxes of such district.

1265 The remaining portion of such county's share of the gasoline,
1266 diesel fuel or kerosene taxes, after setting aside the portion
1267 above provided for the payment of the principal and interest of
1268 bonds, shall be used in the construction and maintenance of any
1269 public highways, bridges, or culverts of the county, including the
1270 roads in special or separate road districts, in the discretion of
1271 the board of supervisors, or in paying the interest and principal
1272 of county road and bridge bonds or district road and bridge bonds,
1273 in the discretion of the board of supervisors.

1274 In any county having no countywide road or bridge bonds or
1275 district road or bridge bonds outstanding, all such county's share



1276 of the gasoline, diesel fuel or kerosene taxes shall be used in
1277 the construction, reconstruction, and maintenance of the public
1278 highways, bridges, or culverts of the county as the board of
1279 supervisors may determine.

1280 In every county in which there are county road bonds or
1281 seawall or road protection bonds outstanding which were issued for
1282 the purpose of building bridges or constructing public roads or
1283 seawalls, such funds shall be used in the manner provided by law.

1284 (c) From the amount produced by the nine-fourteenths
1285 (9/14) division allocated to the * * * Department of
1286 Transportation, there shall be deducted:

1287 (i) The amount paid to the State Treasurer for the
1288 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

1289 (ii) Any amounts due counties in accordance with
1290 Section 65-33-45 which have outstanding bonds issued for seawall
1291 or road protection purposes, issued under provisions of Chapter
1292 319, Laws of 1924, and amendments thereto;

1293 (iii) Except as otherwise provided in Section
1294 31-17-127, the remainder shall be paid by the * * * Department of
1295 Revenue to the State Treasurer on the fifteenth day of each month
1296 next succeeding the month in which the gasoline, diesel fuel or
1297 kerosene taxes were collected to the credit of the State Highway
1298 Fund.

1299 The funds allocated for the construction, reconstruction, and
1300 improvement of state highways, bridges, and culverts, or so much



1301 thereof as may be necessary, shall first be used in conjunction
1302 with funds supplied by the federal government for such purposes
1303 and allocated to the * * * Department of Transportation to be
1304 expended on the state highway system. It is specifically provided
1305 hereby that the necessary portion of such funds hereinabove
1306 allocated to the * * * Department of Transportation may be used
1307 for the prompt payment of principal and interest on highway bonds
1308 heretofore issued, including such bonds issued or to be issued
1309 under the provisions of Chapter 312, Laws of 1956, and amendments
1310 thereto.

1311 Nothing contained in this section shall be construed to
1312 reduce the amount of such gasoline, diesel fuel or kerosene excise
1313 taxes levied by the state, allotted under the provisions of Title
1314 65, Chapter 33, Mississippi Code of 1972, to counties in which
1315 there are outstanding bonds issued for seawall or road protection
1316 purposes issued under the provisions of Chapter 319, Laws of 1924,
1317 and amendments thereto; the amount of said gasoline, diesel fuel
1318 or kerosene excise taxes designated in this section for the
1319 payment of bonds and interest authorized and issued or to be
1320 issued under the provisions of Chapter 130, Laws of 1938, and
1321 subsequent acts authorizing the issuance of bonds payable from
1322 gasoline, diesel fuel or kerosene tax revenue, shall, in such
1323 counties, be considered as being paid "into the State Treasury to
1324 the credit of the State Highway Fund" within the meaning of
1325 Section 65-33-45 in computing the amount to be paid to such



1326 counties under the provisions of said section, and this section
1327 shall be administered in connection with Title 65, Chapter 33,
1328 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
1329 65-33-49 dealing with seawalls, as if made a part of this section.

1330 (d) The proceeds of the Five and One-fourth Cents
1331 (5.25¢) of the tax per gallon on oils used as a propellant for jet
1332 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
1333 per gallon on aviation gasoline and the tax of One Cent (1¢) per
1334 gallon for each gallon of gasoline for which a refund has been
1335 made pursuant to Section 27-55-23 because such gasoline was used
1336 for aviation purposes, shall be paid to the State Treasury into a
1337 special fund to be used exclusively, pursuant to legislative
1338 appropriation, for the support and development of aeronautics as
1339 defined in Section 61-1-3.

1340 (e) State highway funds in an amount equal to the
1341 difference between Forty-two Million Dollars (\$42,000,000.00) and
1342 the annual debt service payable on the state's highway revenue
1343 refunding bonds, Series 1985, shall be expended for the
1344 construction or reconstruction of highways designated under the
1345 highway program created under Section 65-3-97.

1346 (f) "Gasoline, diesel fuel or kerosene taxes" as used
1347 in this section shall be deemed to mean and include state
1348 gasoline, diesel fuel or kerosene taxes levied and imposed on
1349 distributors of gasoline, diesel fuel or kerosene, and all state



1350 excise taxes derived from any fuel used to propel vehicles upon
1351 the highways of this state, when levied by any statute.

1352 **[With regard to any county which is required to operate on a**
1353 **countywide system of road administration as described in Section**
1354 **19-2-3, this section shall read as follows:]**

1355 27-5-101. Unless otherwise provided in this section, on or
1356 before the fifteenth day of each month, all gasoline, diesel fuel
1357 or kerosene taxes which are levied under the laws of this state
1358 and collected during the previous month shall be paid and
1359 apportioned by the * * * Department of Revenue as follows:

1360 (a) (i) Except as otherwise provided in Section
1361 31-17-127, from the gross amount of gasoline, diesel fuel or
1362 kerosene taxes produced by the state, there shall be deducted an
1363 amount equal to one-sixth (1/6) of principal and interest
1364 certified by the State Treasurer to the * * * Department of
1365 Revenue to be due on the next semiannual bond and interest payment
1366 date, as required under the provisions of Chapter 130, Laws of
1367 1938, and subsequent acts authorizing the issuance of bonds
1368 payable from gasoline, diesel fuel or kerosene tax revenue on a
1369 parity with the bonds issued under authority of said Chapter 130.
1370 The State Treasurer shall certify to the * * * Department of
1371 Revenue on or before the fifteenth day of each month the amount to
1372 be paid to the "Highway Bonds Sinking Fund" as provided by said
1373 Chapter 130, Laws of 1938, and subsequent acts authorizing the
1374 issuance of bonds payable from gasoline, diesel fuel or kerosene



1375 tax revenue, on a parity with the bonds issued under authority of
1376 said Chapter 130; and the * * * Department of Revenue shall, on or
1377 before the twenty-fifth day of each month, pay into the State
1378 Treasury for credit to the "Highway Bonds Sinking Fund" the amount
1379 so certified to him by the State Treasurer due to be paid into
1380 such fund each month. The payments to the "Highway Bonds Sinking
1381 Fund" shall be made out of gross gasoline, diesel fuel or kerosene
1382 tax collections before deductions of any nature are considered;
1383 however, such payments shall be deducted from the allocation to
1384 the * * * Department of Transportation under paragraph (c) of this
1385 section.

1386 (ii) From collections derived from the portion of
1387 the gasoline excise tax that exceeds Seven Cents (7¢) per gallon,
1388 up to and including Eighteen Cents (18¢) per gallon, from the
1389 portion of the tax on aviation gas under Section 27-55-11 that
1390 exceeds Six and Four-tenths Cents (6.4¢) per gallon, from the
1391 portion of the special fuel tax levied under Sections 27-55-519
1392 and 27-55-521 * * * that exceeds Ten Cents (10¢) per gallon, up to
1393 and including Eighteen Cents (18¢) per gallon, from the portion of
1394 the taxes levied under Section 27-55-519, at Five and
1395 Three-fourths Cents (5.75¢) per gallon that exceeds One Cent (1¢)
1396 per gallon on special fuel and Five and One-fourth Cents (5.25¢)
1397 per gallon on special fuel used as aircraft fuel, from the portion
1398 of the excise tax on compressed gas used as a motor fuel that
1399 exceeds the rate of tax in effect on June 30, 1987, and from the



1400 portion of the gasoline excise tax in excess of Seven Cents (7¢)
1401 per gallon and the diesel excise tax in excess of Ten Cents (10¢)
1402 per gallon under Section 27-61-5 there shall be deducted:

1403 1. An amount as provided in Section
1404 27-65-75(4) to the credit of a special fund designated as the
1405 "Office of State Aid Road Construction."

1406 2. An amount equal to the tax collections
1407 derived from Two Cents (2¢) per gallon of the gasoline excise tax
1408 for distribution to the State Highway Fund to be used exclusively
1409 for the construction, reconstruction and maintenance of highways
1410 of the State of Mississippi or the payment of interest and
1411 principal on bonds when specifically authorized by the Legislature
1412 for that purpose.

1413 3. The balance shall be deposited in the
1414 State Treasury to the credit of the State Highway Fund.

1415 (iii) From collections derived from the portion of
1416 the gasoline excise tax that exceeds Eighteen Cents (18¢) per
1417 gallon, and from the portion of the special fuel tax levied under
1418 Sections 27-55-519 and 27-55-521 that exceeds Eighteen Cents (18¢)
1419 per gallon, and from the portion of the gasoline excise tax and
1420 the diesel excise tax in excess of Eighteen Cents (18¢) per gallon
1421 under Section 27-61-5, there shall be deducted:

1422 1. Twenty-three and one-fourth percent
1423 (23.25%) of such amount to the credit of a special fund designated
1424 as the "Office of State Aid Road Construction."



1425 2. Two and three-fourths percent (2.75%) of
1426 such amount to the Strategic Multi-Modal Investments Fund created
1427 in Section 65-1-901.

1428 3. Seventy-four percent (74%) of such amount
1429 to the Mississippi Department of Transportation for constructing,
1430 maintaining or improving segments of highways and bridges under
1431 its jurisdiction, and for operational improvements on such
1432 segments, in accordance with a project schedule as reported in the
1433 three-year plan as adopted, amended by or reissued by the
1434 Mississippi Transportation Commission under Section 65-1-141.

1435 (b) Subject to the provisions that said basis of
1436 distribution shall in nowise affect adversely the amount
1437 specifically pledged in paragraph (a) of this section to be paid
1438 into the "Highway Bonds Sinking Fund," the following shall be
1439 deducted from the amount produced by the state tax on gasoline,
1440 diesel fuel or kerosene tax collections, excluding collections
1441 derived from the portion of the gasoline excise tax that exceeds
1442 Seven Cents (7¢) per gallon, from the portion of the tax on
1443 aviation gas under Section 27-55-11 that exceeds Six and
1444 Four-tenths Cents (6.4¢) per gallon, from the portion of the
1445 special fuel tax levied under Sections 27-55-519 and 27-55-521, at
1446 Eighteen Cents (18¢) per gallon, that exceeds Ten Cents (10¢) per
1447 gallon, from the portion of the taxes levied under Section
1448 27-55-519, at Five and Three-fourths Cents (5.75¢) that exceeds
1449 One Cent (1¢) per gallon on special fuel and Five and One-fourth



1450 Cents (5.25¢) per gallon on special fuel used as aircraft fuel,
1451 from the portion of the excise tax on compressed gas used as a
1452 motor fuel that exceeds the rate of tax in effect on June 30,
1453 1987, and from the portion of the gasoline excise tax in excess of
1454 Seven Cents (7¢) per gallon and the diesel excise tax in excess of
1455 Ten Cents (10¢) per gallon under Section 27-61-5:

1456 (i) Twenty percent (20%) of such amount which
1457 shall be earmarked and set aside for the construction,
1458 reconstruction and maintenance of the highways and roads of the
1459 state, provided that if such twenty percent (20%) should reduce
1460 any county to a lesser amount than that received in the fiscal
1461 year ending June 30, 1966, then such twenty percent (20%) shall be
1462 reduced to a percentage to provide that no county shall receive
1463 less than its portion for the fiscal year ending June 30, 1966;

1464 (ii) The amount allowed as refund on gasoline or
1465 as tax credit on diesel fuel or kerosene used for agricultural,
1466 maritime, industrial, domestic and nonhighway purposes;

1467 (iii) Five percent (5%) of such amount shall be
1468 paid to the State Highway Fund;

1469 (iv) The amount or portion thereof authorized by
1470 legislative appropriation to the Fisheries and Wildlife Fund
1471 created under Section 59-21-25;

1472 (v) The amount for deposit into the special
1473 aviation fund under paragraph (d) of this section; and



1474 (vi) The remainder shall be divided on a basis of
1475 nine-fourteenths (9/14) and five-fourteenths (5/14) (being the
1476 same basis as Four and One-half Cents (4-1/2¢) and Two and
1477 One-half Cents (2-1/2¢) is to Seven Cents (7¢) on gasoline, and
1478 six and forty-three one-hundredths (6.43) and three and
1479 fifty-seven one-hundredths (3.57) is to Ten Cents (10¢) on diesel
1480 fuel or kerosene). The amount produced by the nine-fourteenths
1481 (9/14) division shall be allocated to the * * * Department of
1482 Transportation and paid into the State Treasury as provided in
1483 this section and in Section 27-5-103 and the five-fourteenths
1484 (5/14) division shall be returned to the counties of the state on
1485 the following basis:

1486 1. In each fiscal year, each county shall be
1487 paid each month the same percentage of the monthly total to be
1488 distributed as was paid to that county during the same month in
1489 the fiscal year which ended April 9, 1960, until the county
1490 receives One Hundred Ninety Thousand Dollars (\$190,000.00) in such
1491 fiscal year, at which time funds shall be distributed under the
1492 provisions of paragraph (b)(vi)4 of this section.

1493 2. If after payments in 1 above, any county
1494 has not received a total of One Hundred Ninety Thousand Dollars
1495 (\$190,000.00) at the end of the fiscal year ending June 30, 1961,
1496 and each fiscal year thereafter, then any available funds not
1497 distributed under 1 above shall be used to bring such county or
1498 counties up to One Hundred Ninety Thousand Dollars (\$190,000.00)



1499 or such funds shall be divided equally among such counties not
1500 reaching One Hundred Ninety Thousand Dollars (\$190,000.00) if
1501 there is not sufficient money to bring all the counties to said
1502 One Hundred Ninety Thousand Dollars (\$190,000.00).

1503 3. When a county has been paid an amount
1504 equal to the total which was paid to the same county during the
1505 fiscal year ended April 9, 1960, such county shall receive no
1506 further payments during the then current fiscal year until the
1507 last month of such current fiscal year, at which time distribution
1508 will be made under 2 above, except as set out in 4 below.

1509 4. During the last month of the current
1510 fiscal year, should it be determined that there are funds
1511 available in excess of the amount distributed for the year under 1
1512 and 2 above, then such excess funds shall be distributed among the
1513 various counties as follows:

1514 One-third (1/3) of such excess to be
1515 divided equally among the counties;

1516 One-third (1/3) of such excess to be paid
1517 to the counties in the proportion which the population of each
1518 county bears to the total population of the state according to the
1519 last federal census;

1520 One-third (1/3) of such excess to be paid
1521 to the counties in the proportion which the number of square miles
1522 of each county bears to the total square miles in the state.



1523 5. It is the declared purpose and intent of
1524 the Legislature that no county shall be paid less than was paid
1525 during the year ended April 9, 1960, unless the amount to be
1526 distributed to all counties in any year is less than the amount
1527 distributed to all counties during the year ended April 9, 1960.

1528 The Municipal Aid Fund as established by Section 27-5-103
1529 shall not participate in any portion of any funds allocated to any
1530 county hereunder over and above One Hundred Ninety Thousand
1531 Dollars (\$190,000.00).

1532 In any county having road or bridge bonds outstanding which
1533 exceed, in the aggregate, twelve percent (12%) of the assessed
1534 valuation of the taxable property of the county, it shall be the
1535 duty of the board of supervisors to set aside not less than sixty
1536 percent (60%) of such county's share of the gasoline, diesel fuel
1537 or kerosene taxes to be used in paying the principal and interest
1538 on such road or bridge bonds as they mature.

1539 In any county having such road or bridge bonds outstanding
1540 which exceed, in the aggregate, eight percent (8%) of the assessed
1541 valuation of the taxable property of the county, but which do not
1542 exceed, in the aggregate, twelve percent (12%) of the assessed
1543 valuation of the taxable property of the county, it shall be the
1544 duty of the board of supervisors to set aside not less than
1545 thirty-five percent (35%) of such county's share of the gasoline,
1546 diesel fuel or kerosene taxes to be used in paying the principal
1547 and interest of such road or bridge bonds as they mature.



1548 In any county having such road or bridge bonds outstanding
1549 which exceed, in the aggregate, five percent (5%) of the assessed
1550 valuation of the taxable property of the county, but which do not
1551 exceed, in the aggregate, eight percent (8%) of the assessed
1552 valuation of the taxable property of the county, it shall be the
1553 duty of the board of supervisors to set aside not less than twenty
1554 percent (20%) of such county's share of the gasoline, diesel fuel
1555 or kerosene taxes to be used in paying the principal and interest
1556 of such road and bridge bonds as they mature.

1557 In any county having such road or bridge bonds outstanding
1558 which do not exceed, in the aggregate, five percent (5%) of the
1559 assessed valuation of the taxable property of the county, it shall
1560 be the duty of the board of supervisors to set aside not less than
1561 ten percent (10%) of such county's share of the gasoline, diesel
1562 fuel or kerosene taxes to be used in paying the principal and
1563 interest on such road or bridge bonds as they mature.

1564 The portion of any such county's share of the gasoline,
1565 diesel fuel or kerosene taxes thus set aside for the payment of
1566 the principal and interest of road or bridge bonds, as provided
1567 for in this section, shall be used in paying the currently
1568 maturing installments of the principal and interest of such road
1569 or bridge bonds, if there be any such road or bridge bonds
1570 outstanding.

1571 The remaining portion of such county's share of the gasoline,
1572 diesel fuel or kerosene taxes, after setting aside the portion



1573 above provided for the payment of the principal and interest of
1574 bonds, shall be used in the construction and maintenance of any
1575 public highways, bridges or culverts of the county, in the
1576 discretion of the board of supervisors.

1577 In any county having no road or bridge bonds outstanding, all
1578 such county's share of the gasoline, diesel fuel or kerosene taxes
1579 shall be used in the construction, reconstruction and maintenance
1580 of the public highways, bridges or culverts of the county, as the
1581 board of supervisors may determine.

1582 In every county in which there are county road bonds or
1583 seawall or road protection bonds outstanding which were issued for
1584 the purpose of building bridges or constructing public roads or
1585 seawalls, such funds shall be used in the manner provided by law.

1586 (c) From the amount produced by the nine-fourteenths
1587 (9/14) division allocated to the * * * Department of
1588 Transportation, there shall be deducted:

1589 (i) The amount paid to the State Treasurer for the
1590 "Highway Bonds Sinking Fund" under paragraph (a) of this section;

1591 (ii) Any amounts due counties in accordance with
1592 Section 65-33-45 which have outstanding bonds issued for seawall
1593 or road protection purposes, issued under provisions of Chapter
1594 319, Laws of 1924, and amendments thereto; and

1595 (iii) Except as otherwise provided in Section
1596 31-17-127, the remainder shall be paid by the * * * Department of
1597 Revenue to the State Treasurer on the fifteenth day of each month



1598 next succeeding the month in which the gasoline, diesel fuel or
1599 kerosene taxes were collected to the credit of the State Highway
1600 Fund.

1601 The funds allocated for the construction, reconstruction and
1602 improvement of state highways, bridges and culverts, or so much
1603 thereof as may be necessary, shall first be used in conjunction
1604 with funds supplied by the federal government for such purposes
1605 and allocated to the * * * Department of Transportation to be
1606 expended on the state highway system. It is specifically provided
1607 hereby that the necessary portion of such funds hereinabove
1608 allocated to the * * * Department of Transportation may be used
1609 for the prompt payment of principal and interest on highway bonds
1610 heretofore issued, including such bonds issued or to be issued
1611 under the provisions of Chapter 312, Laws of 1956, and amendments
1612 thereto.

1613 Nothing contained in this section shall be construed to
1614 reduce the amount of such gasoline, diesel fuel or kerosene excise
1615 taxes levied by the state, allotted under the provisions of Title
1616 65, Chapter 33, Mississippi Code of 1972, to counties in which
1617 there are outstanding bonds issued for seawall or road protection
1618 purposes issued under the provisions of Chapter 319, Laws of 1924,
1619 and amendments thereto; the amount of said gasoline, diesel fuel
1620 or kerosene excise taxes designated in this section for the
1621 payment of bonds and interest authorized and issued or to be
1622 issued under the provisions of Chapter 130, Laws of 1938, and



1623 subsequent acts authorizing the issuance of bonds payable from
1624 gasoline, diesel fuel or kerosene tax revenue, shall, in such
1625 counties, be considered as being paid "into the State Treasury to
1626 the credit of the State Highway Fund" within the meaning of
1627 Section 65-33-45 in computing the amount to be paid to such
1628 counties under the provisions of said section, and this section
1629 shall be administered in connection with Title 65, Chapter 33,
1630 Mississippi Code of 1972, and Sections 65-33-45, 65-33-47 and
1631 65-33-49 dealing with seawalls, as if made a part of this section.

1632 (d) The proceeds of the Five and One-fourth Cents
1633 (5.25¢) of the tax per gallon on oils used as a propellant for jet
1634 aircraft engines, and Six and Four-tenths Cents (6.4¢) of the tax
1635 per gallon on aviation gasoline and the tax of One Cent (1¢) per
1636 gallon for each gallon of gasoline for which a refund has been
1637 made pursuant to Section 27-55-23 because such gasoline was used
1638 for aviation purposes, shall be paid to the State Treasury into a
1639 special fund to be used exclusively, pursuant to legislative
1640 appropriation, for the support and development of aeronautics as
1641 defined in Section 61-1-3.

1642 (e) State highway funds in an amount equal to the
1643 difference between Forty-two Million Dollars (\$42,000,000.00) and
1644 the annual debt service payable on the state's highway revenue
1645 refunding bonds, Series 1985, shall be expended for the
1646 construction or reconstruction of highways designated under the
1647 highway program created under Section 65-3-97.



1648 (f) "Gasoline, diesel fuel or kerosene taxes" as used
1649 in this section shall be deemed to mean and include state
1650 gasoline, diesel fuel or kerosene taxes levied and imposed on
1651 distributors of gasoline, diesel fuel or kerosene, and all state
1652 excise taxes derived from any fuel used to propel vehicles upon
1653 the highways of this state, when levied by any statute.

1654 **SECTION 12.** Section 27-65-75, Mississippi Code of 1972, is
1655 amended as follows:

1656 27-65-75. On or before the fifteenth day of each month, the
1657 revenue collected under the provisions of this chapter during the
1658 preceding month shall be paid and distributed as follows:

1659 (1) (a) On or before August 15, 1992, and each succeeding
1660 month thereafter through July 15, 1993, eighteen percent (18%) of
1661 the total sales tax revenue collected during the preceding month
1662 under the provisions of this chapter, except that collected under
1663 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1664 business activities within a municipal corporation shall be
1665 allocated for distribution to the municipality and paid to the
1666 municipal corporation. Except as otherwise provided in this
1667 paragraph (a), on or before August 15, 1993, and each succeeding
1668 month thereafter through August 15, 2025, eighteen and one-half
1669 percent (18-1/2%) of the total sales tax revenue collected during
1670 the preceding month under the provisions of this chapter, except
1671 that collected under the provisions of Sections 27-65-15,
1672 27-65-19(3), 27-65-21 and 27-65-24, on business activities within



1673 a municipal corporation shall be allocated for distribution to the
1674 municipality and paid to the municipal corporation. Except as
1675 otherwise provided in this paragraph (a), on or before September
1676 15, 2025, and each succeeding month thereafter, eighteen and
1677 one-half percent (18.5%) of the total sales tax revenue collected
1678 during the preceding month under this chapter, except that
1679 collected under Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3),
1680 27-65-21 and 27-65-24, on business activities within a municipal
1681 corporation shall be allocated for distribution and paid to the
1682 municipal corporation. On or before September 15, 2025, and each
1683 succeeding month thereafter, twenty-five and nine-tenths percent
1684 (25.9%) of the total sales tax revenue collected during the
1685 preceding month under Section 27-65-17(1) (n) on business
1686 activities within a municipal corporation shall be allocated for
1687 distribution and paid to the municipal corporation. However, in
1688 the event the State Auditor issues a certificate of noncompliance
1689 pursuant to Section 21-35-31, the department * * * shall withhold
1690 ten percent (10%) of the allocations and payments to the
1691 municipality that would otherwise be payable to the municipality
1692 under this paragraph (a) until such time that the department
1693 receives written notice of the cancellation of a certificate of
1694 noncompliance from the State Auditor.

1695 A municipal corporation, for the purpose of distributing the
1696 tax under this subsection, shall mean and include all incorporated
1697 cities, towns and villages.



1698 Monies allocated for distribution and credited to a municipal
1699 corporation under this paragraph may be pledged as security for a
1700 loan if the distribution received by the municipal corporation is
1701 otherwise authorized or required by law to be pledged as security
1702 for such a loan.

1703 In any county having a county seat that is not an
1704 incorporated municipality, the distribution provided under this
1705 subsection shall be made as though the county seat was an
1706 incorporated municipality; however, the distribution to the
1707 municipality shall be paid to the county treasury in which the
1708 municipality is located, and those funds shall be used for road,
1709 bridge and street construction or maintenance in the county.

1710 (b) On or before August 15, 2006, and each succeeding
1711 month thereafter through August 15, 2025, eighteen and one-half
1712 percent (18-1/2%) of the total sales tax revenue collected during
1713 the preceding month under the provisions of this chapter, except
1714 that collected under the provisions of Sections 27-65-15,
1715 27-65-19(3) and 27-65-21, on business activities on the campus of
1716 a state institution of higher learning or community or junior
1717 college whose campus is not located within the corporate limits of
1718 a municipality, shall be allocated for distribution to the state
1719 institution of higher learning or community or junior college and
1720 paid to the state institution of higher learning or community or
1721 junior college. On or before September 15, 2025, and each
1722 succeeding month thereafter, eighteen and one-half percent (18.5%)



1723 of the total sales tax revenue collected during the preceding
1724 month under this chapter, except that collected under Sections
1725 27-65-15, 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business
1726 activities on the campus of a state institution of higher learning
1727 or community or junior college whose campus is not located within
1728 the corporate limits of a municipality, shall be allocated for
1729 distribution and paid to the state institution of higher learning
1730 or community or junior college. On or before September 15, 2025,
1731 and each succeeding month thereafter, twenty-five and nine-tenths
1732 percent (25.9%) of the total sales tax revenue collected during
1733 the preceding month under Section 27-65-17(1) (n) on business
1734 activities on the campus of a state institution of higher learning
1735 or community or junior college whose campus is not located within
1736 the corporate limits of a municipality, shall be allocated for
1737 distribution and paid to the state institution of higher learning
1738 or community or junior college.

1739 (c) On or before August 15, 2018, and each succeeding
1740 month thereafter until August 14, 2019, two percent (2%) of the
1741 total sales tax revenue collected during the preceding month under
1742 the provisions of this chapter, except that collected under the
1743 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1744 27-65-24, on business activities within the corporate limits of
1745 the City of Jackson, Mississippi, shall be deposited into the
1746 Capitol Complex Improvement District Project Fund created in
1747 Section 29-5-215. On or before August 15, 2019, and each



1748 succeeding month thereafter until August 14, 2020, four percent
1749 (4%) of the total sales tax revenue collected during the preceding
1750 month under the provisions of this chapter, except that collected
1751 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1752 and 27-65-24, on business activities within the corporate limits
1753 of the City of Jackson, Mississippi, shall be deposited into the
1754 Capitol Complex Improvement District Project Fund created in
1755 Section 29-5-215. On or before August 15, 2020, and each
1756 succeeding month thereafter through July 15, 2023, six percent
1757 (6%) of the total sales tax revenue collected during the preceding
1758 month under the provisions of this chapter, except that collected
1759 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1760 and 27-65-24, on business activities within the corporate limits
1761 of the City of Jackson, Mississippi, shall be deposited into the
1762 Capitol Complex Improvement District Project Fund created in
1763 Section 29-5-215. On or before August 15, 2023, and each
1764 succeeding month thereafter through August 15, 2025, nine percent
1765 (9%) of the total sales tax revenue collected during the preceding
1766 month under the provisions of this chapter, except that collected
1767 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1768 and 27-65-24, on business activities within the corporate limits
1769 of the City of Jackson, Mississippi, shall be deposited into the
1770 Capitol Complex Improvement District Project Fund created in
1771 Section 29-5-215. On or before September 15, 2025, and each
1772 succeeding month thereafter, nine percent (9%) of the total sales



1773 tax revenue collected during the preceding month under this
1774 chapter, except that collected under Sections 27-65-15,
1775 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on business
1776 activities within the corporate limits of the City of Jackson,
1777 Mississippi, shall be deposited into the Capitol Complex
1778 Improvement District Project Fund created in Section 27-5-215. On
1779 or before September 15, 2025, and each succeeding month
1780 thereafter, twelve and six-tenths percent (12.6%) of the total
1781 sales tax revenue collected during the preceding month under
1782 Section 27-65-17(1) (n) on business activities within the corporate
1783 limits of the City of Jackson, Mississippi, shall be deposited
1784 into the Capitol Complex Improvement District Project Fund created
1785 in Section 27-5-215.

1786 (d) (i) Except as otherwise provided in this paragraph
1787 (d), on or before the fifteenth day of the month that the
1788 diversion authorized by this section begins, and each succeeding
1789 month thereafter, eighteen and one-half percent (18-1/2%) of the
1790 total sales tax revenue collected during the preceding month under
1791 the provisions of this chapter, except that collected under the
1792 provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1793 business activities within a redevelopment project area developed
1794 under a redevelopment plan adopted under the Tax Increment
1795 Financing Act (Section 21-45-1 et seq.) shall be allocated for
1796 distribution to the county in which the project area is located
1797 if:



- 1798 1. The county:
- 1799 a. Borders on the Mississippi Sound and
1800 the State of Alabama, or
- 1801 b. Is Harrison County, Mississippi, and
1802 the project area is within a radius of two (2) miles from the
1803 intersection of Interstate 10 and Menge Avenue;
- 1804 2. The county has issued bonds under Section
1805 21-45-9 to finance all or a portion of a redevelopment project in
1806 the redevelopment project area;
- 1807 3. Any debt service for the indebtedness
1808 incurred is outstanding; and
- 1809 4. A development with a value of Ten Million
1810 Dollars (\$10,000,000.00) or more is, or will be, located in the
1811 redevelopment area.
- 1812 (ii) For a county that is eligible to receive
1813 funds under this paragraph (d), as determined by the department
1814 under this paragraph (d), from and after September 15, 2025, and
1815 each succeeding month thereafter, eighteen and one-half percent
1816 (18.5%) of the total sales tax revenue collected during the
1817 preceding month under this chapter, except that collected under
1818 Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3) and 27-65-21, on
1819 business activities within a redevelopment project area developed
1820 under a redevelopment plan adopted under the Tax Increment
1821 Financing Act (Section 21-45-1 et seq.) shall be allocated for
1822 distribution to the county in which the project is located, and



1823 twenty-five and nine-tenths percent (25.9%) of the total sales tax
1824 revenue collected during the preceding month under Section
1825 27-65-17(1)(n) shall be allocated for distribution to that county.

1826 (* * *iii) Before any sales tax revenue may be
1827 allocated for distribution to a county under this paragraph (d),
1828 the county shall certify to the Department of Revenue that the
1829 requirements of this paragraph (d) have been met, the amount of
1830 bonded indebtedness that has been incurred by the county for the
1831 redevelopment project and the expected date the indebtedness
1832 incurred by the county will be satisfied.

1833 (* * *iv) The diversion of sales tax revenue
1834 authorized by this paragraph (d) shall begin the month following
1835 the month in which the Department of Revenue determines that the
1836 requirements of this paragraph (d) have been met. The diversion
1837 shall end the month the indebtedness incurred by the county is
1838 satisfied. All revenue received by the county under this
1839 paragraph (d) shall be deposited in the fund required to be
1840 created in the tax increment financing plan under Section 21-45-11
1841 and be utilized solely to satisfy the indebtedness incurred by the
1842 county.

1843 (2) On or before September 15, 1987, and each succeeding
1844 month thereafter, from the revenue collected under this chapter
1845 during the preceding month, One Million One Hundred Twenty-five
1846 Thousand Dollars (\$1,125,000.00) shall be allocated for
1847 distribution to municipal corporations as defined under subsection



1848 (1) of this section in the proportion that the number of gallons
1849 of gasoline and diesel fuel sold by distributors to consumers and
1850 retailers in each such municipality during the preceding fiscal
1851 year bears to the total gallons of gasoline and diesel fuel sold
1852 by distributors to consumers and retailers in municipalities
1853 statewide during the preceding fiscal year. The Department of
1854 Revenue shall require all distributors of gasoline and diesel fuel
1855 to report to the department monthly the total number of gallons of
1856 gasoline and diesel fuel sold by them to consumers and retailers
1857 in each municipality during the preceding month. The Department
1858 of Revenue shall have the authority to promulgate such rules and
1859 regulations as is necessary to determine the number of gallons of
1860 gasoline and diesel fuel sold by distributors to consumers and
1861 retailers in each municipality. In determining the percentage
1862 allocation of funds under this subsection for the fiscal year
1863 beginning July 1, 1987, and ending June 30, 1988, the Department
1864 of Revenue may consider gallons of gasoline and diesel fuel sold
1865 for a period of less than one (1) fiscal year. For the purposes
1866 of this subsection, the term "fiscal year" means the fiscal year
1867 beginning July 1 of a year.

1868 (3) On or before September 15, 1987, and on or before the
1869 fifteenth day of each succeeding month, until the date specified
1870 in Section 65-39-35, the proceeds derived from contractors' taxes
1871 levied under Section 27-65-21 on contracts for the construction or
1872 reconstruction of highways designated under the highway program



1873 created under Section 65-3-97 shall, except as otherwise provided
1874 in Section 31-17-127, be deposited into the State Treasury to the
1875 credit of the State Highway Fund to be used to fund that highway
1876 program. The Mississippi Department of Transportation shall
1877 provide to the Department of Revenue such information as is
1878 necessary to determine the amount of proceeds to be distributed
1879 under this subsection.

1880 (4) On or before August 15, 1994, and on or before the
1881 fifteenth day of each succeeding month through July 15, 1999, from
1882 the proceeds of gasoline, diesel fuel or kerosene taxes as
1883 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1884 (\$4,000,000.00) shall be deposited in the State Treasury to the
1885 credit of a special fund designated as the "State Aid Road Fund,"
1886 created by Section 65-9-17. On or before August 15, 1999, and on
1887 or before the fifteenth day of each succeeding month through
1888 August 15, 2026, from the total amount of the proceeds of
1889 gasoline, diesel fuel or kerosene taxes apportioned by Section
1890 27-5-101(a)(ii)1, Four Million Dollars (\$4,000,000.00) or an
1891 amount equal to twenty-three and one-fourth percent (23-1/4%) of
1892 those funds, whichever is the greater amount, shall be deposited
1893 in the State Treasury to the credit of the "State Aid Road Fund,"
1894 created by Section 65-9-17. * * * After August 15, 2025, from the
1895 total amount of the proceeds of gasoline, diesel fuel or kerosene
1896 taxes apportioned by Section 27-5-101(a)(ii)1 and (iii), Five
1897 Million Dollars (\$5,000,000.00) or an amount equal to twenty-three



1898 and one-fourth percent (23-1/4%) of those funds, whichever is
1899 greater, shall be deposited in the State Treasury to the credit of
1900 the "State Aid Road Fund" on or before September 15, 2025, and on
1901 or before the fifteenth day of each succeeding month through
1902 August 15, 2026, and Six Million Five Hundred Thousand Dollars
1903 (\$6,500,000.00) or an amount equal to twenty-three and one-fourth
1904 percent (23-1/4%) of those funds, whichever is greater, shall be
1905 deposited in the State Treasury to the credit of the "State Aid
1906 Road Fund" on or before September 15, 2026, and on or before the
1907 fifteenth day of each succeeding month through August 15, 2027,
1908 and Eight Million Dollars (\$8,000,000.00) or an amount equal to
1909 twenty-three and one-fourth percent (23-1/4%) of those funds,
1910 whichever is greater, shall be deposited in the State Treasury to
1911 the credit of the "State Aid Road Fund" on or before September 15,
1912 2027, and on or before the fifteenth day of each succeeding month.

1913 From the amount of taxes paid into the special fund under this
1914 subsection and subsection (9) of this section, there shall be
1915 first deducted and paid the amount necessary to pay the expenses
1916 of the Office of State Aid Road Construction, as authorized by the
1917 Legislature for all other general and special fund agencies. The
1918 remainder of the funds shall be allocated monthly to the several
1919 counties in accordance with the following formula:

1920 (a) One-third (1/3) shall be allocated to all counties
1921 in equal shares;



1922 (b) One-third (1/3) shall be allocated to counties
1923 based on the proportion that the total number of rural road miles
1924 in a county bears to the total number of rural road miles in all
1925 counties of the state; and

1926 (c) One-third (1/3) shall be allocated to counties
1927 based on the proportion that the rural population of the county
1928 bears to the total rural population in all counties of the state,
1929 according to the latest federal decennial census.

1930 For the purposes of this subsection, the term "gasoline,
1931 diesel fuel or kerosene taxes" means such taxes as defined in
1932 paragraph (f) of Section 27-5-101.

1933 The amount of funds allocated to any county under this
1934 subsection for any fiscal year after fiscal year 1994 shall not be
1935 less than the amount allocated to the county for fiscal year 1994.

1936 Any reference in the general laws of this state or the
1937 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1938 construed to refer and apply to subsection (4) of Section
1939 27-65-75.

1940 (5) On or before August 15, 2024, and each succeeding month
1941 thereafter, One Million Six Hundred Sixty-six Thousand Six Hundred
1942 Sixty-six Dollars (\$1,666,666.00) shall be paid into the special
1943 fund known as the Education Enhancement Fund created and existing
1944 under the provisions of Section 37-61-33.

1945 (6) An amount each month beginning August 15, 1983, through
1946 November 15, 1986, as specified in Section 6, Chapter 542, Laws of



1947 1983, shall be paid into the special fund known as the
1948 Correctional Facilities Construction Fund created in Section 6,
1949 Chapter 542, Laws of 1983.

1950 (7) On or before August 15, 1992, and each succeeding month
1951 thereafter through July 15, 2000, two and two hundred sixty-six
1952 one-thousandths percent (2.266%) of the total sales tax revenue
1953 collected during the preceding month under the provisions of this
1954 chapter, except that collected under the provisions of Section
1955 27-65-17(2), shall be deposited by the department into the School
1956 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
1957 or before August 15, 2000, and each succeeding month thereafter
1958 through August 15, 2025, two and two hundred sixty-six
1959 one-thousandths percent (2.266%) of the total sales tax revenue
1960 collected during the preceding month under the provisions of this
1961 chapter, except that collected under the provisions of Section
1962 27-65-17(2), shall be deposited into the School Ad Valorem Tax
1963 Reduction Fund created under Section 37-61-35 until such time that
1964 the total amount deposited into the fund during a fiscal year
1965 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
1966 the amounts diverted under this subsection (7) during the fiscal
1967 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
1968 be deposited into the Education Enhancement Fund created under
1969 Section 37-61-33 for appropriation by the Legislature as other
1970 education needs and shall not be subject to the percentage
1971 appropriation requirements set forth in Section 37-61-33. On or



1972 before September 15, 2025, and each succeeding month thereafter,
1973 two and two hundred sixty-six one-thousandths percent (2.266%) of
1974 the total sales tax revenue collected during the preceding month
1975 under this chapter, except that collected under Section
1976 27-65-17(1) (n) and (2), and three and seventeen one-hundredths
1977 percent (3.17%) of the total sales tax revenue collected during
1978 the preceding month under Section 27-65-17(1) (n), shall be
1979 deposited into the School Ad Valorem Tax Reduction Fund created
1980 under Section 37-61-35 until such time that the total amount
1981 deposited into the fund during a fiscal year equals Forty-two
1982 Million Dollars (\$42,000,000.00). Thereafter, the amounts
1983 diverted under this subsection (7) during the fiscal year in
1984 excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1985 deposited into the Education Enhancement Fund created under
1986 Section 37-61-33 for appropriation by the Legislature as other
1987 education needs and shall not be subject to the percentage
1988 appropriation requirements set forth in Section 37-61-33.

1989 (8) On or before August 15, 1992, and each succeeding month
1990 thereafter through August 15, 2025, nine and seventy-three
1991 one-thousandths percent (9.073%) of the total sales tax revenue
1992 collected during the preceding month under the provisions of this
1993 chapter, except that collected under the provisions of Section
1994 27-65-17(2), shall be deposited into the Education Enhancement
1995 Fund created under Section 37-61-33. On or before September 15,
1996 2025, and each succeeding month thereafter, nine and seventy-three



1997 one-thousandths percent (9.073%) of the total sales tax revenue
1998 collected during the preceding month this chapter, except that
1999 collected under Section 27-65-17(1) (n) and (2), and twelve and
2000 seven-tenths percent (12.7%) of the total sales tax revenue
2001 collected during the preceding month under Section 27-65-17(1) (n),
2002 shall be deposited into the Education Enhancement Fund created
2003 under Section 37-61-33.

2004 (9) On or before August 15, 1994, and each succeeding month
2005 thereafter, from the revenue collected under this chapter during
2006 the preceding month, Two Hundred Fifty Thousand Dollars
2007 (\$250,000.00) shall be paid into the State Aid Road Fund.

2008 (10) On or before August 15, 1994, and each succeeding month
2009 thereafter through August 15, 1995, from the revenue collected
2010 under this chapter during the preceding month, Two Million Dollars
2011 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
2012 Valorem Tax Reduction Fund established in Section 27-51-105.

2013 (11) Notwithstanding any other provision of this section to
2014 the contrary, on or before February 15, 1995, and each succeeding
2015 month thereafter, the sales tax revenue collected during the
2016 preceding month under the provisions of Section 27-65-17(2) and
2017 the corresponding levy in Section 27-65-23 on the rental or lease
2018 of private carriers of passengers and light carriers of property
2019 as defined in Section 27-51-101 shall be deposited, without
2020 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
2021 established in Section 27-51-105.



2022 (12) Notwithstanding any other provision of this section to
2023 the contrary, on or before August 15, 1995, and each succeeding
2024 month thereafter, the sales tax revenue collected during the
2025 preceding month under the provisions of Section 27-65-17(1) on
2026 retail sales of private carriers of passengers and light carriers
2027 of property, as defined in Section 27-51-101 and the corresponding
2028 levy in Section 27-65-23 on the rental or lease of these vehicles,
2029 shall be deposited, after diversion, into the Motor Vehicle Ad
2030 Valorem Tax Reduction Fund established in Section 27-51-105.

2031 (13) On or before July 15, 1994, and on or before the
2032 fifteenth day of each succeeding month thereafter, that portion of
2033 the avails of the tax imposed in Section 27-65-22 that is derived
2034 from activities held on the Mississippi State Fairgrounds Complex
2035 shall be paid into a special fund that is created in the State
2036 Treasury and shall be expended upon legislative appropriation
2037 solely to defray the costs of repairs and renovation at the Trade
2038 Mart and Coliseum.

2039 (14) On or before August 15, 1998, and each succeeding month
2040 thereafter through July 15, 2005, that portion of the avails of
2041 the tax imposed in Section 27-65-23 that is derived from sales by
2042 cotton compresses or cotton warehouses and that would otherwise be
2043 paid into the General Fund shall be deposited in an amount not to
2044 exceed Two Million Dollars (\$2,000,000.00) into the special fund
2045 created under Section 69-37-39. On or before August 15, 2007, and
2046 each succeeding month thereafter through July 15, 2010, that



2047 portion of the avails of the tax imposed in Section 27-65-23 that
2048 is derived from sales by cotton compresses or cotton warehouses
2049 and that would otherwise be paid into the General Fund shall be
2050 deposited in an amount not to exceed Two Million Dollars
2051 (\$2,000,000.00) into the special fund created under Section
2052 69-37-39 until all debts or other obligations incurred by the
2053 Certified Cotton Growers Organization under the Mississippi Boll
2054 Weevil Management Act before January 1, 2007, are satisfied in
2055 full. On or before August 15, 2010, and each succeeding month
2056 thereafter through July 15, 2011, fifty percent (50%) of that
2057 portion of the avails of the tax imposed in Section 27-65-23 that
2058 is derived from sales by cotton compresses or cotton warehouses
2059 and that would otherwise be paid into the General Fund shall be
2060 deposited into the special fund created under Section 69-37-39
2061 until such time that the total amount deposited into the fund
2062 during a fiscal year equals One Million Dollars (\$1,000,000.00).
2063 On or before August 15, 2011, and each succeeding month
2064 thereafter, that portion of the avails of the tax imposed in
2065 Section 27-65-23 that is derived from sales by cotton compresses
2066 or cotton warehouses and that would otherwise be paid into the
2067 General Fund shall be deposited into the special fund created
2068 under Section 69-37-39 until such time that the total amount
2069 deposited into the fund during a fiscal year equals One Million
2070 Dollars (\$1,000,000.00).



2071 (15) Notwithstanding any other provision of this section to
2072 the contrary, on or before September 15, 2000, and each succeeding
2073 month thereafter, the sales tax revenue collected during the
2074 preceding month under the provisions of Section
2075 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,
2076 without diversion, into the Telecommunications Ad Valorem Tax
2077 Reduction Fund established in Section 27-38-7.

2078 (16) (a) On or before August 15, 2000, and each succeeding
2079 month thereafter, the sales tax revenue collected during the
2080 preceding month under the provisions of this chapter on the gross
2081 proceeds of sales of a project as defined in Section 57-30-1 shall
2082 be deposited, after all diversions except the diversion provided
2083 for in subsection (1) of this section, into the Sales Tax
2084 Incentive Fund created in Section 57-30-3.

2085 (b) On or before August 15, 2007, and each succeeding
2086 month thereafter, eighty percent (80%) of the sales tax revenue
2087 collected during the preceding month under the provisions of this
2088 chapter from the operation of a tourism project under the
2089 provisions of Sections 57-26-1 through 57-26-5, shall be
2090 deposited, after the diversions required in subsections (7) and
2091 (8) of this section, into the Tourism Project Sales Tax Incentive
2092 Fund created in Section 57-26-3.

2093 (17) Notwithstanding any other provision of this section to
2094 the contrary, on or before April 15, 2002, and each succeeding
2095 month thereafter, the sales tax revenue collected during the



2096 preceding month under Section 27-65-23 on sales of parking
2097 services of parking garages and lots at airports shall be
2098 deposited, without diversion, into the special fund created under
2099 Section 27-5-101(d).

2100 (18) [Repealed]

2101 (19) (a) On or before August 15, 2005, and each succeeding
2102 month thereafter, the sales tax revenue collected during the
2103 preceding month under the provisions of this chapter on the gross
2104 proceeds of sales of a business enterprise located within a
2105 redevelopment project area under the provisions of Sections
2106 57-91-1 through 57-91-11, and the revenue collected on the gross
2107 proceeds of sales from sales made to a business enterprise located
2108 in a redevelopment project area under the provisions of Sections
2109 57-91-1 through 57-91-11 (provided that such sales made to a
2110 business enterprise are made on the premises of the business
2111 enterprise), shall, except as otherwise provided in this
2112 subsection (19), be deposited, after all diversions, into the
2113 Redevelopment Project Incentive Fund as created in Section
2114 57-91-9.

2115 (b) For a municipality participating in the Economic
2116 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
2117 the diversion provided for in subsection (1) of this section
2118 attributable to the gross proceeds of sales of a business
2119 enterprise located within a redevelopment project area under the
2120 provisions of Sections 57-91-1 through 57-91-11, and attributable



2121 to the gross proceeds of sales from sales made to a business
2122 enterprise located in a redevelopment project area under the
2123 provisions of Sections 57-91-1 through 57-91-11 (provided that
2124 such sales made to a business enterprise are made on the premises
2125 of the business enterprise), shall be deposited into the
2126 Redevelopment Project Incentive Fund as created in Section
2127 57-91-9, as follows:

2128 (i) For the first six (6) years in which payments
2129 are made to a developer from the Redevelopment Project Incentive
2130 Fund, one hundred percent (100%) of the diversion shall be
2131 deposited into the fund;

2132 (ii) For the seventh year in which such payments
2133 are made to a developer from the Redevelopment Project Incentive
2134 Fund, eighty percent (80%) of the diversion shall be deposited
2135 into the fund;

2136 (iii) For the eighth year in which such payments
2137 are made to a developer from the Redevelopment Project Incentive
2138 Fund, seventy percent (70%) of the diversion shall be deposited
2139 into the fund;

2140 (iv) For the ninth year in which such payments are
2141 made to a developer from the Redevelopment Project Incentive Fund,
2142 sixty percent (60%) of the diversion shall be deposited into the
2143 fund; and



2144 (v) For the tenth year in which such payments are
2145 made to a developer from the Redevelopment Project Incentive Fund,
2146 fifty percent (50%) of the funds shall be deposited into the fund.

2147 (20) On or before January 15, 2007, and each succeeding
2148 month thereafter, eighty percent (80%) of the sales tax revenue
2149 collected during the preceding month under the provisions of this
2150 chapter from the operation of a tourism project under the
2151 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
2152 after the diversions required in subsections (7) and (8) of this
2153 section, into the Tourism Sales Tax Incentive Fund created in
2154 Section 57-28-3.

2155 (21) (a) On or before April 15, 2007, and each succeeding
2156 month thereafter through June 15, 2013, One Hundred Fifty Thousand
2157 Dollars (\$150,000.00) of the sales tax revenue collected during
2158 the preceding month under the provisions of this chapter shall be
2159 deposited into the MMEIA Tax Incentive Fund created in Section
2160 57-101-3.

2161 (b) On or before July 15, 2013, and each succeeding
2162 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
2163 of the sales tax revenue collected during the preceding month
2164 under the provisions of this chapter shall be deposited into the
2165 Mississippi Development Authority Job Training Grant Fund created
2166 in Section 57-1-451.

2167 (22) On or before June 1, 2024, and each succeeding month
2168 thereafter until December 31, 2057, an amount determined annually



2169 by the Mississippi Development Authority of the sales tax revenue
2170 collected during the preceding month under the provisions of this
2171 chapter shall be deposited into the MMEIA Tax Incentive Fund
2172 created in Section 57-125-3. This amount shall be based on
2173 estimated payments due within the upcoming year to construction
2174 contractors pursuant to construction contracts subject to the tax
2175 imposed by Section 27-65-21 for construction to be performed on
2176 the project site of a project defined under Section
2177 57-75-5(f) (xxxiii) for the coming year.

2178 (23) Notwithstanding any other provision of this section to
2179 the contrary, on or before August 15, 2009, and each succeeding
2180 month thereafter, the sales tax revenue collected during the
2181 preceding month under the provisions of Section 27-65-201 shall be
2182 deposited, without diversion, into the Motor Vehicle Ad Valorem
2183 Tax Reduction Fund established in Section 27-51-105.

2184 (24) (a) On or before August 15, 2019, and each month
2185 thereafter through July 15, 2020, one percent (1%) of the total
2186 sales tax revenue collected during the preceding month from
2187 restaurants and hotels shall be allocated for distribution to the
2188 Mississippi Development Authority Tourism Advertising Fund
2189 established under Section 57-1-64, to be used exclusively for the
2190 purpose stated therein. On or before August 15, 2020, and each
2191 month thereafter through July 15, 2021, two percent (2%) of the
2192 total sales tax revenue collected during the preceding month from
2193 restaurants and hotels shall be allocated for distribution to the



2194 Mississippi Development Authority Tourism Advertising Fund
2195 established under Section 57-1-64, to be used exclusively for the
2196 purpose stated therein. On or before August 15, 2021, and each
2197 month thereafter, three percent (3%) of the total sales tax
2198 revenue collected during the preceding month from restaurants and
2199 hotels shall be allocated for distribution to the Mississippi
2200 Development Authority Tourism Advertising Fund established under
2201 Section 57-1-64, to be used exclusively for the purpose stated
2202 therein. The revenue diverted pursuant to this subsection shall
2203 not be available for expenditure until February 1, 2020.

2204 (b) The Joint Legislative Committee on Performance
2205 Evaluation and Expenditure Review (PEER) must provide an annual
2206 report to the Legislature indicating the amount of funds deposited
2207 into the Mississippi Development Authority Tourism Advertising
2208 Fund established under Section 57-1-64, and a detailed record of
2209 how the funds are spent.

2210 (25) The remainder of the amounts collected under the
2211 provisions of this chapter shall be paid into the State Treasury
2212 to the credit of the General Fund.

2213 (26) (a) It shall be the duty of the municipal officials of
2214 any municipality that expands its limits, or of any community that
2215 incorporates as a municipality, to notify the commissioner of that
2216 action thirty (30) days before the effective date. Failure to so
2217 notify the commissioner shall cause the municipality to forfeit
2218 the revenue that it would have been entitled to receive during



2219 this period of time when the commissioner had no knowledge of the
2220 action.

2221 (b) (i) Except as otherwise provided in subparagraph
2222 (ii) of this paragraph, if any funds have been erroneously
2223 disbursed to any municipality or any overpayment of tax is
2224 recovered by the taxpayer, the commissioner may make correction
2225 and adjust the error or overpayment with the municipality by
2226 withholding the necessary funds from any later payment to be made
2227 to the municipality.

2228 (ii) Subject to the provisions of Sections
2229 27-65-51 and 27-65-53, if any funds have been erroneously
2230 disbursed to a municipality under subsection (1) of this section
2231 for a period of three (3) years or more, the maximum amount that
2232 may be recovered or withheld from the municipality is the total
2233 amount of funds erroneously disbursed for a period of three (3)
2234 years beginning with the date of the first erroneous disbursement.
2235 However, if during such period, a municipality provides written
2236 notice to the Department of Revenue indicating the erroneous
2237 disbursement of funds, then the maximum amount that may be
2238 recovered or withheld from the municipality is the total amount of
2239 funds erroneously disbursed for a period of one (1) year beginning
2240 with the date of the first erroneous disbursement.

2241 **SECTION 13.** Section 27-67-31, Mississippi Code of 1972, is
2242 amended as follows:



2243 27-67-31. All administrative provisions of the sales tax
2244 law, and amendments thereto, including those which fix damages,
2245 penalties and interest for failure to comply with the provisions
2246 of said sales tax law, and all other requirements and duties
2247 imposed upon taxpayer, shall apply to all persons liable for use
2248 taxes under the provisions of this article. The commissioner
2249 shall exercise all power and authority and perform all duties with
2250 respect to taxpayers under this article as are provided in said
2251 sales tax law, except where there is conflict, then the provisions
2252 of this article shall control.

2253 The commissioner may require transportation companies to
2254 permit the examination of waybills, freight bills, or other
2255 documents covering shipments of tangible personal property into
2256 this state.

2257 On or before the fifteenth day of each month, the amount
2258 received from taxes, damages and interest under the provisions of
2259 this article during the preceding month shall be paid and
2260 distributed as follows:

2261 (a) On or before July 15, 1994, through July 15, 2000,
2262 and each succeeding month thereafter, two and two hundred
2263 sixty-six one-thousandths percent (2.266%) of the total use tax
2264 revenue collected during the preceding month under the provisions
2265 of this article shall be deposited in the School Ad Valorem Tax
2266 Reduction Fund created pursuant to Section 37-61-35. On or before
2267 August 15, 2000, and each succeeding month thereafter, two and two



2268 hundred sixty-six one-thousandths percent (2.266%) of the total
2269 use tax revenue collected during the preceding month under the
2270 provisions of this chapter shall be deposited into the School Ad
2271 Valorem Tax Reduction Fund created under Section 37-61-35 until
2272 such time that the total amount deposited into the fund during a
2273 fiscal year equals Four Million Dollars (\$4,000,000.00).

2274 Thereafter, the amounts diverted under this paragraph (a) during
2275 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
2276 shall be deposited into the Education Enhancement Fund created
2277 under Section 37-61-33 for appropriation by the Legislature as
2278 other education needs and shall not be subject to the percentage
2279 appropriation requirements set forth in Section 37-61-33.

2280 (b) On or before July 15, 1994, and each succeeding
2281 month thereafter, nine and seventy-three one-thousandths percent
2282 (9.073%) of the total use tax revenue collected during the
2283 preceding month under the provisions of this article shall be
2284 deposited into the Education Enhancement Fund created pursuant to
2285 Section 37-61-33.

2286 (c) On or before July 15, 1997, and on or before the
2287 fifteenth day of each succeeding month thereafter, the revenue
2288 collected under the provisions of this article imposed and levied
2289 as a result of Section 27-65-17(2) and the corresponding levy in
2290 Section 27-65-23 on the rental or lease of private carriers of
2291 passengers and light carriers of property as defined in Section



2292 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2293 Reduction Fund created pursuant to Section 27-51-105.

2294 (d) On or before July 15, 1997, and on or before the
2295 fifteenth day of each succeeding month thereafter and after the
2296 deposits required by paragraphs (a) and (b) of this section are
2297 made, the remaining revenue collected under the provisions of this
2298 article imposed and levied as a result of Section 27-65-17(1) and
2299 the corresponding levy in Section 27-65-23 on the rental or lease
2300 of private carriers of passengers and light carriers of property
2301 as defined in Section 27-51-101 shall be deposited into the Motor
2302 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2303 27-51-105.

2304 (e) On or before August 15, 2019, and each succeeding
2305 month thereafter through July 15, 2020, three and three-fourths
2306 percent (3-3/4%) of the total use tax revenue collected during the
2307 preceding month under the provisions of this article shall be
2308 deposited into the special fund created in Section 27-67-35(1).
2309 On or before August 15, 2020, and each succeeding month thereafter
2310 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2311 total use tax revenue collected during the preceding month under
2312 the provisions of this article shall be deposited into the special
2313 fund created in Section 27-67-35(1). On or before August 15,
2314 2021, and each succeeding month thereafter through July 15, 2022,
2315 eleven and one-fourth percent (11-1/4%) of the total use tax
2316 revenue collected during the preceding month under the provisions



2317 of this article shall be deposited into the special fund created
2318 in Section 27-67-35(1). On or before August 15, 2022, and each
2319 succeeding month thereafter through August 15, 2025, fifteen
2320 percent (15%) of the total use tax revenue collected during the
2321 preceding month under the provisions of this article shall be
2322 deposited into the special fund created in Section 27-67-35(1).
2323 On or before September 15, 2025, and each succeeding month
2324 thereafter, fifteen percent (15%) of the total use tax revenue
2325 collected during the preceding month under this article, except
2326 that imposed and levied as a result of Section 27-65-17(1)(n), and
2327 twenty-one percent (21%) of the total use tax revenue collected
2328 during the preceding month under this article imposed and levied
2329 as a result of Section 27-65-17(1)(n), shall be deposited into the
2330 special fund created in Section 27-67-35(1).

2331 (f) On or before August 15, 2019, and each succeeding
2332 month thereafter through July 15, 2020, three and three-fourths
2333 percent (3-3/4%) of the total use tax revenue collected during the
2334 preceding month under the provisions of this article shall be
2335 deposited into the special fund created in Section 27-67-35(2).
2336 On or before August 15, 2020, and each succeeding month thereafter
2337 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2338 total use tax revenue collected during the preceding month under
2339 the provisions of this article shall be deposited into the special
2340 fund created in Section 27-67-35(2). On or before August 15,
2341 2021, and each succeeding month thereafter through July 15, 2022,



2342 eleven and one-fourth percent (11-1/4%) of the total use tax
2343 revenue collected during the preceding month under the provisions
2344 of this article shall be deposited into the special fund created
2345 in Section 27-67-35(2). On or before August 15, 2022, and each
2346 succeeding month thereafter through August 15, 2025, fifteen
2347 percent (15%) of the total use tax revenue collected during the
2348 preceding month under the provisions of this article shall be
2349 deposited into the special fund created in Section 27-67-35(2).
2350 On or before September 15, 2025, and each succeeding month
2351 thereafter, fifteen percent (15%) of the total use tax revenue
2352 collected during the preceding month under this article, except
2353 that imposed and levied as a result of Section 27-65-17(1)(n), and
2354 twenty-one percent (21%) of the total use tax revenue collected
2355 during the preceding month under this article imposed and levied
2356 as a result of Section 27-65-17(1)(n), shall be deposited into the
2357 special fund created in Section 27-67-35(2).

2358 (g) On or before August 15, 2019, and each succeeding
2359 month thereafter through July 15, 2020, Four Hundred Sixteen
2360 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2361 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2362 use tax revenue collected during the preceding month under the
2363 provisions of this article, whichever is the greater amount, shall
2364 be deposited into the Local System Bridge Replacement and
2365 Rehabilitation Fund created in Section 65-37-13. On or before
2366 August 15, 2020, and each succeeding month thereafter through July



2367 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2368 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2369 and one-half percent (2-1/2%) of the total use tax revenue
2370 collected during the preceding month under the provisions of this
2371 article, whichever is the greater amount, shall be deposited into
2372 the Local System Bridge Replacement and Rehabilitation Fund
2373 created in Section 65-37-13. On or before August 15, 2021, and
2374 each succeeding month thereafter through July 15, 2022, One
2375 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2376 three and three-fourths percent (3-3/4%) of the total use tax
2377 revenue collected during the preceding month under the provisions
2378 of this article, whichever is the greater amount, shall be
2379 deposited into the Local System Bridge Replacement and
2380 Rehabilitation Fund created in Section 65-37-13. On or before
2381 August 15, 2022, and each succeeding month thereafter through July
2382 15, 2023, One Million Six Hundred Sixty-six Thousand Six Hundred
2383 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or five
2384 percent (5%) of the total use tax revenue collected during the
2385 preceding month under the provisions of this article, whichever is
2386 the greater amount, shall be deposited into the Local System
2387 Bridge Replacement and Rehabilitation Fund created in Section
2388 65-37-13. On or before August 15, 2023, and each succeeding month
2389 thereafter, (i) One Million Six Hundred Sixty-six Thousand Six
2390 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67) or
2391 two and one-half percent (2-1/2%) of the total use tax revenue



2392 collected during the preceding month under the provisions of this
2393 article, whichever is the greater amount, shall be deposited into
2394 the Local System Bridge Replacement and Rehabilitation Fund
2395 created in Section 65-37-13, and (ii) One Million Six Hundred
2396 Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven
2397 Cents (\$1,666,666.67) or two and one-half percent (2-1/2%) of the
2398 total use tax revenue collected during the preceding month under
2399 the provisions of this article, whichever is the greater amount,
2400 shall be deposited into the State Aid Road Fund created in Section
2401 65-9-17.

2402 (h) On or before August 15, 2020, and each succeeding
2403 month thereafter through July 15, 2022, One Million Dollars
2404 (\$1,000,000.00) of the total use tax revenue collected during the
2405 preceding month under the provisions of this article shall be
2406 deposited into the Local System Bridge Replacement and
2407 Rehabilitation Fund created in Section 65-37-13. Amounts
2408 deposited into the Local System Bridge Replacement and
2409 Rehabilitation Fund under this paragraph (h) shall be in addition
2410 to amounts deposited into the fund under paragraph (g) of this
2411 section.

2412 (i) The remainder of the amount received from taxes,
2413 damages and interest under the provisions of this article shall be
2414 paid into the General Fund of the State Treasury by the
2415 commissioner.



2416 **SECTION 14.** (1) Each person becoming a member of the system
2417 on or after March 1, 2026, shall have, in addition to the defined
2418 benefit plan under this article, a defined contribution plan
2419 meeting the requirements of Section 401(a) of the Internal Revenue
2420 Code. A portion of the employee's contributions shall be
2421 deposited into the employee's defined contribution account, as
2422 provided in Section 25-11-123, and in addition, the employer may
2423 elect to contribute an amount up to the maximum pretax amount
2424 allowable under federal law for plans under Section 401(a) of the
2425 Internal Revenue Code. Members shall be vested immediately in the
2426 defined contribution plan.

2427 (2) (a) Pursuant to Section 401(a) of the Internal Revenue
2428 Code, the board may establish a defined contribution, qualified
2429 plan under which a portion of the employee's mandatory
2430 contributions shall be deposited and which meets all requirements
2431 under federal and state law. To the extent state law conflicts
2432 with federal law, federal law shall govern the plan document to
2433 maintain the federal tax qualified status. The board, in its
2434 fiduciary capacity, may seek approval from the Internal Revenue
2435 Service.

2436 (b) The administration of the defined contribution plan
2437 shall be under the direction of the system. The defined
2438 contribution plan shall be operated in accordance with the
2439 guidelines established by the Internal Revenue Service for Section
2440 401(a) plans as reflected in the plan document, as may be modified



2441 from time to time by the board of trustees, and including optional
2442 variable employer contributions and a process for hardship
2443 withdrawals by members. Payroll reductions shall be made, in each
2444 instance, by the appropriate payroll officer. The administrator
2445 of the defined contribution plan may contract with a private
2446 corporation or institution for providing consolidated billing and
2447 other administrative services if deemed necessary by the
2448 administrator.

2449 (c) The board of trustees may assess the employer an
2450 amount, out of the employer's contribution rate under Section
2451 25-11-123, up to two-tenths percent (0.2%) of the participant's
2452 total earned compensation as defined in Section 25-11-103 to
2453 provide for the administrative expenses of operating the defined
2454 contribution plan, including, but not limited to, the services of
2455 auditors, consultants, money managers and third-party
2456 administrators.

2457 (3) Each participating member shall direct the investment of
2458 the individual's accumulated employer and employee contributions
2459 and earnings to one or more investment choices within available
2460 categories of investment provided by the board. The board shall
2461 provide an investment menu of investment options. In establishing
2462 the investment options, the board shall:

2463 (a) Include predetermined investment portfolio options
2464 constructed to reflect different risk profiles that automatically



2465 reallocate and rebalance contributions as a participating member
2466 ages; and

2467 (b) Allow a participating member to construct an
2468 investment portfolio using some or all of the investment options.

2469 **SECTION 15.** Section 25-11-103, Mississippi Code of 1972, is
2470 amended as follows:

2471 25-11-103. (1) The following words and phrases as used in
2472 Articles 1 and 3, unless a different meaning is plainly required
2473 by the context, have the following meanings:

2474 (a) "Accumulated contributions" means the sum of all
2475 the amounts deducted from the compensation of a member and
2476 credited to his or her individual account in the annuity savings
2477 account, together with regular interest as provided in Section
2478 25-11-123.

2479 (b) "Actuarial cost" means the amount of funds
2480 presently required to provide future benefits as determined by the
2481 board based on applicable tables and formulas provided by the
2482 actuary.

2483 (c) "Actuarial equivalent" means a benefit of equal
2484 value to the accumulated contributions, annuity or benefit, as the
2485 case may be, when computed upon the basis of such mortality tables
2486 as adopted by the board of trustees, and regular interest.

2487 (d) "Actuarial tables" mean such tables of mortality
2488 and rates of interest as adopted by the board in accordance with
2489 the recommendation of the actuary.



2490 (e) "Agency" means any governmental body employing
2491 persons in the state service.

2492 (f) "Average compensation" means, for persons who
2493 became members of the system before March 1, 2026, the average of
2494 the four (4) highest years of earned compensation reported for an
2495 employee in a fiscal or calendar year period, or combination
2496 thereof that do not overlap, or the last forty-eight (48)
2497 consecutive months of earned compensation reported for an
2498 employee. The four (4) years need not be successive or joined
2499 years of service. "Average compensation" means, for persons who
2500 became members of the system on or after March 1, 2026, the
2501 average of the eight (8) highest consecutive years of earned
2502 compensation reported for an employee in a fiscal or calendar year
2503 period, or of the last ninety-six (96) consecutive months of
2504 earned compensation reported for an employee, whichever is
2505 greater.

2506 In computing the average compensation for retirement,
2507 disability or survivor benefits, any amount lawfully paid in a
2508 lump sum for personal leave or major medical leave shall be
2509 included in the calculation to the extent that the amount does not
2510 exceed an amount that is equal to thirty (30) days of earned
2511 compensation and to the extent that it does not cause the
2512 employee's earned compensation to exceed the maximum reportable
2513 amount specified in paragraph (k) of this subsection; however,
2514 this thirty-day limitation shall not prevent the inclusion in the



2515 calculation of leave earned under federal regulations before July
2516 1, 1976, and frozen as of that date as referred to in Section
2517 25-3-99. In computing the average compensation, no amounts shall
2518 be used that are in excess of the amount on which contributions
2519 were required and paid, and no nontaxable amounts paid by the
2520 employer for health or life insurance premiums for the employee
2521 shall be used. If any member who is or has been granted any
2522 increase in annual salary or compensation of more than eight
2523 percent (8%) retires within twenty-four (24) months from the date
2524 that the increase becomes effective, then the board shall exclude
2525 that part of the increase in salary or compensation that exceeds
2526 eight percent (8%) in calculating that member's average
2527 compensation for retirement purposes. The board may enforce this
2528 provision by rule or regulation. However, increases in
2529 compensation in excess of eight percent (8%) per year granted
2530 within twenty-four (24) months of the date of retirement may be
2531 included in the calculation of average compensation if
2532 satisfactory proof is presented to the board showing that the
2533 increase in compensation was the result of an actual change in the
2534 position held or services rendered, or that the compensation
2535 increase was authorized by the State Personnel Board or was
2536 increased as a result of statutory enactment, and the employer
2537 furnishes an affidavit stating that the increase granted within
2538 the last twenty-four (24) months was not contingent on a promise
2539 or agreement of the employee to retire. Nothing in Section



2540 25-3-31 shall affect the calculation of the average compensation
2541 of any member for the purposes of this article. The average
2542 compensation of any member who retires before July 1, 1992, shall
2543 not exceed the annual salary of the Governor.

2544 (g) "Beneficiary" means any person entitled to receive
2545 a retirement allowance, an annuity or other benefit as provided by
2546 Articles 1 and 3. The term "beneficiary" may also include an
2547 organization, estate, trust or entity; however, a beneficiary
2548 designated or entitled to receive monthly payments under an
2549 optional settlement based on life contingency or under a statutory
2550 monthly benefit may only be a natural person. In the event of the
2551 death before retirement of any member who became a member of the
2552 system before July 1, 2007, and whose spouse and/or children are
2553 not entitled to a retirement allowance on the basis that the
2554 member has less than four (4) years of membership service credit,
2555 or who became a member of the system on or after July 1, 2007, and
2556 whose spouse and/or children are not entitled to a retirement
2557 allowance on the basis that the member has less than eight (8)
2558 years of membership service credit, and/or has not been married
2559 for a minimum of one (1) year or the spouse has waived his or her
2560 entitlement to a retirement allowance under Section 25-11-114, the
2561 lawful spouse of a member at the time of the death of the member
2562 shall be the beneficiary of the member unless the member has
2563 designated another beneficiary after the date of marriage in
2564 writing, and filed that writing in the office of the executive



2565 director of the board of trustees. No designation or change of
2566 beneficiary shall be made in any other manner.

2567 (h) "Board" means the board of trustees provided in
2568 Section 25-11-15 to administer the retirement system created under
2569 this article.

2570 (i) "Creditable service" means "prior service,"
2571 "retroactive service" and all lawfully credited unused leave not
2572 exceeding the accrual rates and limitations provided in Section
2573 25-3-91 et seq., as of the date of withdrawal from service plus
2574 "membership service" and other service for which credit is
2575 allowable as provided in Section 25-11-109. Except to limit
2576 creditable service reported to the system for the purpose of
2577 computing an employee's retirement allowance or annuity or
2578 benefits provided in this article, nothing in this paragraph shall
2579 limit or otherwise restrict the power of the governing authority
2580 of a municipality or other political subdivision of the state to
2581 adopt such vacation and sick leave policies as it deems necessary.

2582 (j) "Child" means either a natural child of the member,
2583 a child that has been made a child of the member by applicable
2584 court action before the death of the member, or a child under the
2585 permanent care of the member at the time of the latter's death,
2586 which permanent care status shall be determined by evidence
2587 satisfactory to the board. For purposes of this paragraph, a
2588 natural child of the member is a child of the member that is
2589 conceived before the death of the member.



2590 (k) "Earned compensation" means the full amount earned
2591 during a fiscal year by an employee not to exceed the employee
2592 compensation limit set pursuant to Section 401(a)(17) of the
2593 Internal Revenue Code for the calendar year in which the fiscal
2594 year begins and proportionately for less than one (1) year of
2595 service. Except as otherwise provided in this paragraph, the
2596 value of maintenance furnished to an employee shall not be
2597 included in earned compensation. Earned compensation shall not
2598 include any amounts paid by the employer for health or life
2599 insurance premiums for an employee. Earned compensation shall be
2600 limited to the regular periodic compensation paid, exclusive of
2601 litigation fees, bond fees, performance-based incentive payments,
2602 and other similar extraordinary nonrecurring payments. In
2603 addition, any member in a covered position, as defined by Public
2604 Employees' Retirement System laws and regulations, who is also
2605 employed by another covered agency or political subdivision shall
2606 have the earnings of that additional employment reported to the
2607 Public Employees' Retirement System regardless of whether the
2608 additional employment is sufficient in itself to be a covered
2609 position. In addition, computation of earned compensation shall
2610 be governed by the following:

2611 (i) In the case of constables, the net earnings
2612 from their office after deduction of expenses shall apply, except
2613 that in no case shall earned compensation be less than the total



2614 direct payments made by the state or governmental subdivisions to
2615 the official.

2616 (ii) In the case of chancery or circuit clerks,
2617 the net earnings from their office after deduction of expenses
2618 shall apply as expressed in Section 25-11-123(f)(4).

2619 (iii) In the case of members of the State
2620 Legislature, all remuneration or amounts paid, except mileage
2621 allowance, shall apply.

2622 (iv) The amount by which an eligible employee's
2623 salary is reduced under a salary reduction agreement authorized
2624 under Section 25-17-5 shall be included as earned compensation
2625 under this paragraph, provided this inclusion does not conflict
2626 with federal law, including federal regulations and federal
2627 administrative interpretations under the federal law, pertaining
2628 to the Federal Insurance Contributions Act or to Internal Revenue
2629 Code Section 125 cafeteria plans.

2630 (v) Compensation in addition to an employee's base
2631 salary that is paid to the employee under the vacation and sick
2632 leave policies of a municipality or other political subdivision of
2633 the state that employs him or her that exceeds the maximums
2634 authorized by Section 25-3-91 et seq. shall be excluded from the
2635 calculation of earned compensation under this article.

2636 (vi) The maximum salary applicable for retirement
2637 purposes before July 1, 1992, shall be the salary of the Governor.



2638 (vii) Nothing in Section 25-3-31 shall affect the
2639 determination of the earned compensation of any member for the
2640 purposes of this article.

2641 (viii) The value of maintenance furnished to an
2642 employee before July 1, 2013, for which the proper amount of
2643 employer and employee contributions have been paid, shall be
2644 included in earned compensation. From and after July 1, 2013, the
2645 value of maintenance furnished to an employee shall be reported as
2646 earned compensation only if the proper amount of employer and
2647 employee contributions have been paid on the maintenance and the
2648 employee was receiving maintenance and having maintenance reported
2649 to the system as of June 30, 2013. The value of maintenance when
2650 not paid in money shall be fixed by the employing state agency,
2651 and, in case of doubt, by the board of trustees as defined in
2652 Section 25-11-15.

2653 (ix) Except as otherwise provided in this
2654 paragraph, the value of any in-kind benefits provided by the
2655 employer shall not be included in earned compensation. As used in
2656 this subparagraph, "in-kind benefits" shall include, but not be
2657 limited to, group life insurance premiums, health or dental
2658 insurance premiums, nonpaid major medical and personal leave,
2659 employer contributions for social security and retirement, tuition
2660 reimbursement or educational funding, day care or transportation
2661 benefits.



2662 (1) "Employee" means any person legally occupying a
2663 position in the state service, and shall include the employees of
2664 the retirement system created under this article.

2665 (m) "Employer" means the State of Mississippi or any of
2666 its departments, agencies or subdivisions from which any employee
2667 receives his or her compensation.

2668 (n) "Executive director" means the secretary to the
2669 board of trustees, as provided in Section 25-11-15(9), and the
2670 administrator of the Public Employees' Retirement System and all
2671 systems under the management of the board of trustees. Wherever
2672 the term "Executive Secretary of the Public Employees' Retirement
2673 System" or "executive secretary" appears in this article or in any
2674 other provision of law, it shall be construed to mean the
2675 Executive Director of the Public Employees' Retirement System.

2676 (o) "Fiscal year" means the period beginning on July 1
2677 of any year and ending on June 30 of the next succeeding year.

2678 (p) "Medical board" means the board of physicians or
2679 any governmental or nongovernmental disability determination
2680 service designated by the board of trustees that is qualified to
2681 make disability determinations as provided for in Section
2682 25-11-119.

2683 (q) "Member" means any person included in the
2684 membership of the system as provided in Section 25-11-105. For
2685 purposes of Sections 25-11-103, 25-11-105, 25-11-109, 25-11-111,
2686 25-11-113, 25-11-114, 25-11-115 and 25-11-117, if a member of the



2687 system withdrew from state service and received a refund of the
2688 amount of the accumulated contributions to the credit of the
2689 member in the annuity savings account before July 1, 2007, and the
2690 person reenters state service and becomes a member of the system
2691 again on or after July 1, 2007, and repays all or part of the
2692 amount received as a refund and interest in order to receive
2693 creditable service for service rendered before July 1, 2007, the
2694 member shall be considered to have become a member of the system
2695 on or after July 1, 2007, subject to the eight-year membership
2696 service requirement, as applicable in those sections. For
2697 purposes of Sections 25-11-103, 25-11-111, 25-11-114 and
2698 25-11-115, if a member of the system withdrew from state service
2699 and received a refund of the amount of the accumulated
2700 contributions to the credit of the member in the annuity savings
2701 account before July 1, 2011, and the person reenters state service
2702 and becomes a member of the system again on or after July 1, 2011,
2703 and repays all or part of the amount received as a refund and
2704 interest in order to receive creditable service for service
2705 rendered before July 1, 2011, the member shall be considered to
2706 have become a member of the system on or after July 1, 2011. If a
2707 member of the system withdrew from state service and received a
2708 refund of the amount of the accumulated contributions to the
2709 credit of the member in the annuity savings account before March
2710 1, 2026, and the person reenters state service and becomes a
2711 member of the system again on or after March 1, 2026, the member



2712 shall be considered to have become a member of the system on or
2713 after March 1, 2026, and may not receive creditable service for
2714 service rendered before March 1, 2026.

2715 (r) "Membership service" means service as an employee
2716 in a covered position rendered while a contributing member of the
2717 retirement system.

2718 (s) "Position" means any office or any employment in
2719 the state service, or two (2) or more of them, the duties of which
2720 call for services to be rendered by one (1) person, including
2721 positions jointly employed by federal and state agencies
2722 administering federal and state funds. The employer shall
2723 determine upon initial employment and during the course of
2724 employment of an employee who does not meet the criteria for
2725 coverage in the Public Employees' Retirement System based on the
2726 position held, whether the employee is or becomes eligible for
2727 coverage in the Public Employees' Retirement System based upon any
2728 other employment in a covered agency or political subdivision. If
2729 or when the employee meets the eligibility criteria for coverage
2730 in the other position, then the employer must withhold
2731 contributions and report wages from the noncovered position in
2732 accordance with the provisions for reporting of earned
2733 compensation. Failure to deduct and report those contributions
2734 shall not relieve the employee or employer of liability thereof.
2735 The board shall adopt such rules and regulations as necessary to
2736 implement and enforce this provision.



2737 (t) "Prior service" means:

2738 (i) For persons who became members of the system
2739 before July 1, 2007, service rendered before February 1, 1953, for
2740 which credit is allowable under Sections 25-11-105 and 25-11-109,
2741 and which shall allow prior service for any person who is now or
2742 becomes a member of the Public Employees' Retirement System and
2743 who does contribute to the system for a minimum period of four (4)
2744 years.

2745 (ii) For persons who became members of the system
2746 on or after July 1, 2007, service rendered before February 1,
2747 1953, for which credit is allowable under Sections 25-11-105 and
2748 25-11-109, and which shall allow prior service for any person who
2749 is now or becomes a member of the Public Employees' Retirement
2750 System and who does contribute to the system for a minimum period
2751 of eight (8) years.

2752 (u) "Regular interest" means interest compounded
2753 annually at such a rate as determined by the board in accordance
2754 with Section 25-11-121.

2755 (v) "Retirement allowance" means an annuity for life as
2756 provided in this article, payable each year in twelve (12) equal
2757 monthly installments beginning as of the date fixed by the board.
2758 The retirement allowance shall be calculated in accordance with
2759 Section 25-11-111. However, any spouse who received a spouse
2760 retirement benefit in accordance with Section 25-11-111(d) before
2761 March 31, 1971, and those benefits were terminated because of



2762 eligibility for a social security benefit, may again receive his
2763 or her spouse retirement benefit from and after making application
2764 with the board of trustees to reinstate the spouse retirement
2765 benefit.

2766 (w) "Retroactive service" means service rendered after
2767 February 1, 1953, for which credit is allowable under Section
2768 25-11-105(b) and Section 25-11-105(k).

2769 (x) "System" means the Public Employees' Retirement
2770 System of Mississippi established and described in Section
2771 25-11-101.

2772 (y) "State" means the State of Mississippi or any
2773 political subdivision thereof or instrumentality of the state.

2774 (z) "State service" means all offices and positions of
2775 trust or employment in the employ of the state, or any political
2776 subdivision or instrumentality of the state, that elect to
2777 participate as provided by Section 25-11-105(f), including the
2778 position of elected or fee officials of the counties and their
2779 deputies and employees performing public services or any
2780 department, independent agency, board or commission thereof, and
2781 also includes all offices and positions of trust or employment in
2782 the employ of joint state and federal agencies administering state
2783 and federal funds and service rendered by employees of the public
2784 schools. Effective July 1, 1973, all nonprofessional public
2785 school employees, such as bus drivers, janitors, maids,
2786 maintenance workers and cafeteria employees, shall have the option



2787 to become members in accordance with Section 25-11-105(b), and
2788 shall be eligible to receive credit for services before July 1,
2789 1973, provided that the contributions and interest are paid by the
2790 employee in accordance with that section; in addition, the county
2791 or municipal separate school district may pay the employer
2792 contribution and pro rata share of interest of the retroactive
2793 service from available funds. "State service" shall not include
2794 the President of the Mississippi Lottery Corporation and personnel
2795 employed by the Mississippi Lottery Corporation. From and after
2796 July 1, 1998, retroactive service credit shall be purchased at the
2797 actuarial cost in accordance with Section 25-11-105(b).

2798 (aa) "Withdrawal from service" or "termination from
2799 service" means complete severance of employment in the state
2800 service of any member by resignation, dismissal or discharge.

2801 (bb) The masculine pronoun, wherever used, includes the
2802 feminine pronoun.

2803 (2) For purposes of this article, the term "political
2804 subdivision" shall have the meaning ascribed to such term in
2805 Section 25-11-5 and shall also include public charter schools.

2806 **SECTION 16.** Section 25-11-109, Mississippi Code of 1972, is
2807 amended as follows:

2808 25-11-109. (1) Under such rules and regulations as the
2809 board of trustees shall adopt, each person who becomes a member of
2810 this retirement system, as provided in Section 25-11-105, on or
2811 before July 1, 1953, or who became a member of the system before



2812 July 1, 2007, and contributes to the system for a minimum period
2813 of four (4) years, or who became a member of the system on or
2814 after July 1, 2007, and contributes to the system for a minimum
2815 period of eight (8) years, shall receive credit for all state
2816 service rendered before February 1, 1953. To receive that credit,
2817 the member shall file a detailed statement of all services as an
2818 employee rendered by him in the state service before February 1,
2819 1953. For any member who joined the system after July 1, 1953,
2820 and before July 1, 2007, any creditable service for which the
2821 member is not required to make contributions shall not be credited
2822 to the member until the member has contributed to the system for a
2823 minimum period of at least four (4) years. For any member who
2824 joined the system on or after July 1, 2007, but before March 1,
2825 2026, any creditable service for which the member is not required
2826 to make contributions shall not be credited to the member until
2827 the member has contributed to the system for a minimum period of
2828 at least eight (8) years.

2829 (2) (a) (i) In the computation of creditable service for
2830 service rendered before July 1, 2017, under the provisions of this
2831 article, the total months of accumulative service during any
2832 fiscal year shall be calculated in accordance with the schedule as
2833 follows: ten (10) or more months of creditable service during any
2834 fiscal year shall constitute a year of creditable service; seven
2835 (7) months to nine (9) months inclusive, three-quarters (3/4) of a
2836 year of creditable service; four (4) months to six (6) months



2837 inclusive, one-half (1/2) year of creditable service; one (1)
2838 month to three (3) months inclusive, one-quarter (1/4) of a year
2839 of creditable service.

2840 (ii) In the computation of creditable service
2841 rendered on or after July 1, 2017, under the provisions of this
2842 article, service credit shall be awarded in monthly increments in
2843 a manner prescribed by regulations of the board.

2844 (b) In no case shall credit be allowed for any period
2845 of absence without compensation except for disability while in
2846 receipt of a disability retirement allowance, nor shall less than
2847 fifteen (15) days of service in any month, or service less than
2848 the equivalent of one-half (1/2) of the normal working load for
2849 the position and less than one-half (1/2) of the normal
2850 compensation for the position in any month, constitute a month of
2851 creditable service, nor shall more than one (1) year of service be
2852 creditable for all services rendered in any one (1) fiscal year;
2853 however, for a school employee, substantial completion of the
2854 legal school term when and where the service was rendered shall
2855 constitute a year of service credit. Any state or local elected
2856 official shall be deemed a full-time employee for the purpose of
2857 creditable service. However, an appointed or elected official
2858 compensated on a per diem basis only shall not be allowed
2859 creditable service for terms of office.

2860 (c) In the computation of any retirement allowance or
2861 any annuity or benefits provided in this article, any fractional



2862 period of service of less than one (1) year shall be taken into
2863 account and a proportionate amount of such retirement allowance,
2864 annuity or benefit shall be granted for any such fractional period
2865 of service.

2866 (d) (i) In the computation of unused leave for
2867 creditable service authorized in Section 25-11-103, the following
2868 shall govern for members who retire before July 1, 2017:
2869 twenty-one (21) days of unused leave shall constitute one (1)
2870 month of creditable service and in no case shall credit be allowed
2871 for any period of unused leave of less than fifteen (15) days.
2872 The number of months of unused leave shall determine the number of
2873 quarters or years of creditable service in accordance with the
2874 above schedule for membership and prior service.

2875 (ii) In the computation of unused leave for
2876 creditable service authorized in Section 25-11-103, the following
2877 shall govern for members who retire on or after July 1, 2017:
2878 creditable service for unused leave shall be calculated in monthly
2879 increments in which one (1) month of service credit shall be
2880 awarded for each twenty-one (21) days of unused leave, except that
2881 the first fifteen (15) to fifty-seven (57) days of leave shall
2882 constitute three (3) months of service for those who became a
2883 member of the system before July 1, 2017.

2884 (iii) In order for the member to receive
2885 creditable service for the number of days of unused leave under



2886 this paragraph, the system must receive certification from the
2887 governing authority.

2888 (iv) For anyone who becomes a member of the system
2889 on or after March 1, 2026, no service credit shall be awarded for
2890 unused leave.

2891 (e) For the purposes of this subsection, members of the
2892 system who retire on or after July 1, 2010, shall receive credit
2893 for one-half (1/2) day of leave for each full year of membership
2894 service accrued after June 30, 2010. The amount of leave received
2895 by a member under this paragraph shall be added to the lawfully
2896 credited unused leave for which creditable service is provided
2897 under Section 25-11-103(i).

2898 (f) For the purpose of this subsection, for members of
2899 the system who are elected officers and who retire on or after
2900 July 1, 1987, the following shall govern:

2901 (i) For service before July 1, 1984, the members
2902 shall receive credit for leave (combined personal and major
2903 medical) for service as an elected official before that date at
2904 the rate of thirty (30) days per year.

2905 (ii) For service on and after July 1, 1984, the
2906 member shall receive credit for personal and major medical leave
2907 beginning July 1, 1984, at the rates authorized in Sections
2908 25-3-93 and 25-3-95, computed as a full-time employee.

2909 (iii) If a member is employed in a covered
2910 nonelected position and a covered elected position simultaneously,



2911 that member may not receive service credit for accumulated unused
2912 leave for both positions at retirement for the period during which
2913 the member was dually employed. During the period during which
2914 the member is dually employed, the member shall only receive
2915 credit for leave as provided for in this paragraph for an elected
2916 official.

2917 (iv) For any elected official who becomes a member
2918 of the system on or after March 1, 2026, no service credit shall
2919 be awarded for leave.

2920 (3) Subject to the above restrictions and to such other
2921 rules and regulations as the board may adopt, the board shall
2922 verify, as soon as practicable after the filing of such statements
2923 of service, the services therein claimed.

2924 (4) Upon verification of the statement of prior service, the
2925 board shall issue a prior service certificate certifying to each
2926 member the length of prior service for which credit shall have
2927 been allowed on the basis of his statement of service. So long as
2928 membership continues, a prior service certificate shall be final
2929 and conclusive for retirement purposes as to such service,
2930 provided that any member may within five (5) years from the date
2931 of issuance or modification of such certificate request the board
2932 of trustees to modify or correct his prior service certificate.
2933 Any modification or correction authorized shall only apply
2934 prospectively.



2935 When membership ceases, such prior service certificates shall
2936 become void. Should the employee again become a member, he shall
2937 enter the system as an employee not entitled to prior service
2938 credit except as provided in Sections 25-11-105(I), 25-11-113 and
2939 25-11-117.

2940 (5) Creditable service at retirement, on which the
2941 retirement allowance of a member shall be based, shall consist of
2942 the membership service rendered by him since he last became a
2943 member, and also, if he has a prior service certificate that is in
2944 full force and effect, the amount of the service certified on his
2945 prior service certificate.

2946 (6) Any member who served on active duty in the Armed Forces
2947 of the United States, who served in the Commissioned Corps of the
2948 United States Public Health Service before 1972 or who served in
2949 maritime service during periods of hostility in World War II,
2950 shall be entitled to creditable service at no cost for his service
2951 on active duty in the Armed Forces, in the Commissioned Corps of
2952 the United States Public Health Service before 1972 or in such
2953 maritime service, provided he entered state service after his
2954 discharge from the Armed Forces or entered state service after he
2955 completed such maritime service. The maximum period for such
2956 creditable service for all military service as defined in this
2957 subsection (6) shall not exceed four (4) years unless positive
2958 proof can be furnished by such person that he was retained in the
2959 Armed Forces during World War II or in maritime service during



2960 World War II by causes beyond his control and without opportunity
2961 of discharge. The member shall furnish proof satisfactory to the
2962 board of trustees of certification of military service or maritime
2963 service records showing dates of entrance into active duty service
2964 and the date of discharge. From and after July 1, 1993, no
2965 creditable service shall be granted for any military service or
2966 maritime service to a member who qualifies for a retirement
2967 allowance in another public retirement system administered by the
2968 Board of Trustees of the Public Employees' Retirement System
2969 based, in whole or in part, on such military or maritime service.
2970 In no case shall the member receive creditable service if the
2971 member received a dishonorable discharge from the Armed Forces of
2972 the United States.

2973 (7) (a) Any member of the Public Employees' Retirement
2974 System whose membership service is interrupted as a result of
2975 qualified military service within the meaning of Section 414(u)(5)
2976 of the Internal Revenue Code, and who has received the maximum
2977 service credit available under subsection (6) of this section,
2978 shall receive creditable service for the period of qualified
2979 military service that does not qualify as creditable service under
2980 subsection (6) of this section upon reentering membership service
2981 in an amount not to exceed five (5) years if:

2982 (i) The member pays the contributions he would
2983 have made to the retirement system if he had remained in
2984 membership service for the period of qualified military service



2985 based upon his salary at the time his membership service was
2986 interrupted;

2987 (ii) The member returns to membership service
2988 within ninety (90) days of the end of his qualified military
2989 service; and

2990 (iii) The employer at the time the member's
2991 service was interrupted and to which employment the member returns
2992 pays the contributions it would have made into the retirement
2993 system for such period based on the member's salary at the time
2994 the service was interrupted.

2995 (b) The payments required to be made in paragraph
2996 (a) (i) of this subsection may be made over a period beginning with
2997 the date of return to membership service and not exceeding three
2998 (3) times the member's qualified military service; however, in no
2999 event shall such period exceed five (5) years.

3000 (c) The member shall furnish proof satisfactory to the
3001 board of trustees of certification of military service showing
3002 dates of entrance into qualified service and the date of discharge
3003 as well as proof that the member has returned to active employment
3004 within the time specified.

3005 (8) Any member of the Public Employees' Retirement System
3006 who became a member of the system before July 1, 2007, and who has
3007 at least four (4) years of membership service credit, or who
3008 became a member of the system on or after July 1, 2007, but before
3009 March 1, 2026, and who has at least eight (8) years of membership



3010 service credit, shall be entitled to receive a maximum of five (5)
3011 years' creditable service for service rendered in another state as
3012 a public employee of such other state, or a political subdivision,
3013 public education system or other governmental instrumentality
3014 thereof, or service rendered as a teacher in American overseas
3015 dependent schools conducted by the Armed Forces of the United
3016 States for children of citizens of the United States residing in
3017 areas outside the continental United States, provided that:

3018 (a) The member shall furnish proof satisfactory to the
3019 board of trustees of certification of such services from the
3020 state, public education system, political subdivision or
3021 retirement system of the state where the services were performed
3022 or the governing entity of the American overseas dependent school
3023 where the services were performed; and

3024 (b) The member is not receiving or will not be entitled
3025 to receive from the public retirement system of the other state or
3026 from any other retirement plan, including optional retirement
3027 plans, sponsored by the employer, a retirement allowance including
3028 such services; and

3029 (c) The member shall pay to the retirement system on
3030 the date he or she is eligible for credit for such out-of-state
3031 service or at any time thereafter before the date of retirement
3032 the actuarial cost as determined by the actuary for each year of
3033 out-of-state creditable service. The provisions of this
3034 subsection are subject to the limitations of Section 415 of the



3035 Internal Revenue Code and regulations promulgated under that
3036 section.

3037 (9) Any member of the Public Employees' Retirement System
3038 who became a member of the system before July 1, 2007, and has at
3039 least four (4) years of membership service credit, or who became a
3040 member of the system on or after July 1, 2007, but before March 1,
3041 2026, and has at least eight (8) years of membership service
3042 credit, and who receives, or has received, professional leave
3043 without compensation for professional purposes directly related to
3044 the employment in state service shall receive creditable service
3045 for the period of professional leave without compensation
3046 provided:

3047 (a) The professional leave is performed with a public
3048 institution or public agency of this state, or another state or
3049 federal agency;

3050 (b) The employer approves the professional leave
3051 showing the reason for granting the leave and makes a
3052 determination that the professional leave will benefit the
3053 employee and employer;

3054 (c) Such professional leave shall not exceed two (2)
3055 years during any ten-year period of state service;

3056 (d) The employee shall serve the employer on a
3057 full-time basis for a period of time equivalent to the
3058 professional leave period granted immediately following the
3059 termination of the leave period;



3060 (e) The contributing member shall pay to the retirement
3061 system the actuarial cost as determined by the actuary for each
3062 year of professional leave. The provisions of this subsection are
3063 subject to the regulations of the Internal Revenue Code
3064 limitations;

3065 (f) Such other rules and regulations consistent
3066 herewith as the board may adopt and in case of question, the board
3067 shall have final power to decide the questions.

3068 Any actively contributing member participating in the School
3069 Administrator Sabbatical Program established in Section 37-9-77
3070 shall qualify for continued participation under this subsection
3071 (9).

3072 (10) Any member of the Public Employees' Retirement System
3073 who became a member of the system before July 1, 2007, and has at
3074 least four (4) years of credited membership service, or who became
3075 a member of the system on or after July 1, 2007, but before March
3076 1, 2026, and has at least eight (8) years of credited membership
3077 service, shall be entitled to receive a maximum of ten (10) years
3078 creditable service for:

3079 (a) Any service rendered as an employee of any
3080 political subdivision of this state, or any instrumentality
3081 thereof, that does not participate in the Public Employees'
3082 Retirement System; or

3083 (b) Any service rendered as an employee of any
3084 political subdivision of this state, or any instrumentality



3085 thereof, that participates in the Public Employees' Retirement
3086 System but did not elect retroactive coverage; or

3087 (c) Any service rendered as an employee of any
3088 political subdivision of this state, or any instrumentality
3089 thereof, for which coverage of the employee's position was or is
3090 excluded; provided that the member pays into the retirement system
3091 the actuarial cost as determined by the actuary for each year, or
3092 portion thereof, of such service. After a member has made full
3093 payment to the retirement system for all or any part of such
3094 service, the member shall receive creditable service for the
3095 period of such service for which full payment has been made to the
3096 retirement system.

3097 **SECTION 17.** Section 25-11-111, Mississippi Code of 1972, is
3098 amended as follows:

3099 25-11-111. (a) (1) Any member who became a member of the
3100 system before July 1, 2007, upon withdrawal from service upon or
3101 after attainment of the age of sixty (60) years who has completed
3102 at least four (4) years of membership service, or any member who
3103 became a member of the system before July 1, 2011, upon withdrawal
3104 from service regardless of age who has completed at least
3105 twenty-five (25) years of creditable service, shall be entitled to
3106 receive a retirement allowance, which shall begin on the first of
3107 the month following the date the member's application for the
3108 allowance is received by the board, but in no event before
3109 withdrawal from service.



3110 (2) Any member who became a member of the system on or
3111 after July 1, 2007, but before March 1, 2026, upon withdrawal from
3112 service upon or after attainment of the age of sixty (60) years
3113 who has completed at least eight (8) years of membership service,
3114 or any member who became a member of the system on or after July
3115 1, 2011, but before March 1, 2026, upon withdrawal from service
3116 regardless of age who has completed at least thirty (30) years of
3117 creditable service, shall be entitled to receive a retirement
3118 allowance, which shall begin on the first of the month following
3119 the date the member's application for the allowance is received by
3120 the board, but in no event before withdrawal from service.

3121 (3) Any member who became a member of the system on or
3122 after March 1, 2026, upon withdrawal from service upon or after
3123 attainment of the age of sixty-two (62) years who has completed at
3124 least eight (8) years of membership service, or upon withdrawal
3125 from service regardless of age who has completed at least
3126 thirty-five (35) years of creditable service, shall be entitled to
3127 receive a retirement allowance, which shall begin on the first of
3128 the month following the date the member's application for the
3129 allowance is received by the board, but in no event before
3130 withdrawal from service.

3131 (b) (1) Any member who became a member of the system before
3132 July 1, 2007, whose withdrawal from service occurs before
3133 attaining the age of sixty (60) years who has completed four (4)
3134 or more years of membership service and has not received a refund



3135 of his accumulated contributions, shall be entitled to receive a
3136 retirement allowance, beginning upon his attaining the age of
3137 sixty (60) years, of the amount earned and accrued at the date of
3138 withdrawal from service. The retirement allowance shall begin on
3139 the first of the month following the date the member's application
3140 for the allowance is received by the board, but in no event before
3141 withdrawal from service.

3142 (2) Any member who became a member of the system on or
3143 after July 1, 2007, but before March 1, 2026, whose withdrawal
3144 from service occurs before attaining the age of sixty (60) years
3145 who has completed eight (8) or more years of membership service
3146 and has not received a refund of his accumulated contributions,
3147 shall be entitled to receive a retirement allowance, beginning
3148 upon his attaining the age of sixty (60) years, of the amount
3149 earned and accrued at the date of withdrawal from service. The
3150 retirement allowance shall begin on the first of the month
3151 following the date the member's application for the allowance is
3152 received by the board, but in no event before withdrawal from
3153 service.

3154 (3) Any member who became a member of the system on or
3155 after March 1, 2026, whose withdrawal from service occurs before
3156 attaining the age of sixty-two (62) years who has completed eight
3157 (8) or more years of membership service and has not received a
3158 refund of his accumulated contributions, shall be entitled to
3159 receive a retirement allowance, beginning upon his attaining the



3160 age of sixty-two (62) years, of the amount earned and accrued at
3161 the date of withdrawal from service. The retirement allowance
3162 shall begin on the first of the month following the date the
3163 member's application for the allowance is received by the board,
3164 but in no event before withdrawal from service.

3165 (c) Any member in service who has qualified for retirement
3166 benefits may select any optional method of settlement of
3167 retirement benefits by notifying the Executive Director of the
3168 Board of Trustees of the Public Employees' Retirement System in
3169 writing, on a form prescribed by the board, of the option he has
3170 selected and by naming the beneficiary of the option and
3171 furnishing necessary proof of age. The option, once selected, may
3172 be changed at any time before actual retirement or death, but upon
3173 the death or retirement of the member, the optional settlement
3174 shall be placed in effect upon proper notification to the
3175 executive director.

3176 (d) Any member who became a member of the system before July
3177 1, 2011, shall be entitled to an annual retirement allowance which
3178 shall consist of:

3179 (1) A member's annuity, which shall be the actuarial
3180 equivalent of the accumulated contributions of the member at the
3181 time of retirement computed according to the actuarial table in
3182 use by the system; and

3183 (2) An employer's annuity, which, together with the
3184 member's annuity provided above, shall be equal to two percent



3185 (2%) of the average compensation for each year of service up to
3186 and including twenty-five (25) years of creditable service, and
3187 two and one-half percent (2-1/2%) of the average compensation for
3188 each year of service exceeding twenty-five (25) years of
3189 creditable service.

3190 (3) Any retired member or beneficiary thereof who was
3191 eligible to receive a retirement allowance before July 1, 1991,
3192 and who is still receiving a retirement allowance on July 1, 1992,
3193 shall receive an increase in the annual retirement allowance of
3194 the retired member equal to one-eighth of one percent (1/8 of 1%)
3195 of the average compensation for each year of state service in
3196 excess of twenty-five (25) years of membership service up to and
3197 including thirty (30) years. The maximum increase shall be
3198 five-eighths of one percent (5/8 of 1%). In no case shall a
3199 member who has been retired before July 1, 1987, receive less than
3200 Ten Dollars (\$10.00) per month for each year of creditable service
3201 and proportionately for each quarter year thereof. Persons
3202 retired on or after July 1, 1987, shall receive at least Ten
3203 Dollars (\$10.00) per month for each year of service and
3204 proportionately for each quarter year thereof reduced for the
3205 option selected. However, such Ten Dollars (\$10.00) minimum per
3206 month for each year of creditable service shall not apply to a
3207 retirement allowance computed under Section 25-11-114 based on a
3208 percentage of the member's average compensation.



3209 (e) Any member who became a member of the system on or after
3210 July 1, 2011, but before March 1, 2026, shall be entitled to an
3211 annual retirement allowance which shall consist of:

3212 (1) A member's annuity, which shall be the actuarial
3213 equivalent of the accumulated contributions of the member at the
3214 time of retirement computed according to the actuarial table in
3215 use by the system; and

3216 (2) An employer's annuity, which, together with the
3217 member's annuity provided above, shall be equal to two percent
3218 (2%) of the average compensation for each year of service up to
3219 and including thirty (30) years of creditable service, and two and
3220 one-half percent (2-1/2%) of average compensation for each year of
3221 service exceeding thirty (30) years of creditable service.

3222 (f) Any member who became a member of the system on or after
3223 July 1, 2011, but before March 1, 2026, upon withdrawal from
3224 service upon or after attaining the age of sixty (60) years who
3225 has completed at least eight (8) years of membership service, or
3226 any such member upon withdrawal from service regardless of age who
3227 has completed at least thirty (30) years of creditable service,
3228 shall be entitled to receive a retirement allowance computed in
3229 accordance with the formula set forth in subsection (e) of this
3230 section. In the case of the retirement of any member who has
3231 attained age sixty (60) but who has not completed at least thirty
3232 (30) years of creditable service, the retirement allowance shall
3233 be computed in accordance with the formula set forth in subsection



3234 (e) of this section except that the total annual retirement
3235 allowance shall be reduced by an actuarial equivalent factor for
3236 each year of creditable service below thirty (30) years or the
3237 number of years in age that the member is below age sixty-five
3238 (65), whichever is less.

3239 (g) Any member who became a member of the system on or after
3240 March 1, 2026, upon withdrawal from service upon or after
3241 attainment of the age of sixty-five (65) years who has completed
3242 at least eight (8) years of membership service, or upon withdrawal
3243 from service at the age of sixty-two (62) who has completed at
3244 least thirty (30) years of creditable service, or upon withdrawal
3245 from service regardless of age who has completed at least
3246 thirty-five (35) years of creditable service, shall be entitled to
3247 an annual retirement allowance which shall consist of a member's
3248 annuity, which annuity shall be equal to one percent (1%) of the
3249 average compensation for each year of creditable service. In the
3250 case of the retirement of any member who has attained the age of
3251 sixty-two (62) but has not completed at least thirty (30) years of
3252 creditable service, the total annual retirement allowance
3253 specified in this subsection (g) shall be reduced by an actuarial
3254 equivalent factor for each year of creditable service below thirty
3255 (30) years or the number of years in age that the member is below
3256 age sixty-five (65), whichever is less.

3257 (* * *h) No member, except members excluded by the Age
3258 Discrimination in Employment Act Amendments of 1986 (Public Law



3259 99-592), under either Article 1 or Article 3 in state service
3260 shall be required to retire because of age.

3261 (* * *i) No payment on account of any benefit granted under
3262 the provisions of this section shall become effective or begin to
3263 accrue until January 1, 1953.

3264 (* * *j) (1) A retiree or beneficiary may, on a form
3265 prescribed by and filed with the retirement system, irrevocably
3266 waive all or a portion of any benefits from the retirement system
3267 to which the retiree or beneficiary is entitled. The waiver shall
3268 be binding on the heirs and assigns of any retiree or beneficiary
3269 and the same must agree to forever hold harmless the Public
3270 Employees' Retirement System of Mississippi from any claim to the
3271 waived retirement benefits.

3272 (2) Any waiver under this subsection shall apply only
3273 to the person executing the waiver. A beneficiary shall be
3274 entitled to benefits according to the option selected by the
3275 member at the time of retirement. However, a beneficiary may, at
3276 the option of the beneficiary, execute a waiver of benefits under
3277 this subsection.

3278 (3) The retirement system shall retain in the annuity
3279 reserve account amounts that are not used to pay benefits because
3280 of a waiver executed under this subsection.

3281 (4) The board of trustees may provide rules and
3282 regulations for the administration of waivers under this
3283 subsection.



3284 **SECTION 18.** Section 25-11-112, Mississippi Code of 1972, is
3285 amended as follows:

3286 25-11-112. (1) Any member who became a member of the system
3287 before March 1, 2026, and is receiving a retirement allowance for
3288 service or disability retirement, or any beneficiary thereof, who
3289 has received a monthly benefit for at least one (1) full fiscal
3290 year, shall be eligible to receive an additional benefit, on
3291 December 1 or July 1 of the year as provided in subsection (3) of
3292 this section, equal to an amount calculated under paragraph (a) or
3293 (b) below:

3294 (a) For any member who became a member of the system
3295 before July 1, 2011, the sum of:

3296 (i) An amount equal to three percent (3%) of the
3297 annual retirement allowance multiplied by the number of full
3298 fiscal years in retirement before the end of the fiscal year in
3299 which the member reaches age fifty-five (55), plus

3300 (ii) An additional amount equal to three percent
3301 (3%) compounded by the number of full fiscal years in retirement
3302 beginning with the fiscal year in which the member reaches age
3303 fifty-five (55), multiplied by the amount of the annual retirement
3304 allowance.

3305 (b) For any member who became a member of the system on
3306 or after July 1, 2011, but before March 1, 2026, the sum of:

3307 (i) An amount equal to three percent (3%) of the
3308 annual retirement allowance multiplied by the number of full



3309 fiscal years in retirement before the end of the fiscal year in
3310 which the member reaches age sixty (60), plus

3311 (ii) An additional amount equal to three percent
3312 (3%) compounded by the number of full fiscal years in retirement
3313 beginning with the fiscal year in which the member reaches age
3314 sixty (60), multiplied by the amount of the annual retirement
3315 allowance.

3316 (2) The calculation of the beneficiary's additional benefit
3317 under subsection (1) (a) or (b) of this section shall be based on
3318 the member's age and full fiscal years in retirement as if the
3319 member had lived.

3320 (3) (a) The additional benefit provided for under this
3321 section shall be paid in one (1) payment in December of each year
3322 to those persons who are receiving a retirement allowance on
3323 December 1 of that year, unless an election is made under this
3324 subsection. However, if a retiree who is receiving a retirement
3325 allowance that will terminate upon the retiree's death is
3326 receiving the additional benefit in one (1) payment and dies on or
3327 after July 1 but before December 1, the beneficiary designated on
3328 the retirement application, if any, shall receive in a single
3329 payment a fractional part of the additional benefit based on the
3330 number of months in which a retirement allowance was received
3331 during the fiscal year. Likewise, if a retiree is receiving a
3332 retirement allowance that will terminate upon his or her death in
3333 two (2) to six (6) monthly installments, any remaining payments of



3334 the additional benefit will be paid in a lump sum to the
3335 beneficiary designated on the application, or if none, pursuant to
3336 Section 25-11-117.1(1). Any similar remaining payments of
3337 additional benefits payable under this section to a deceased
3338 beneficiary who was receiving a monthly benefit shall be payable
3339 in accordance with the provisions of Section 25-11-117.1(2). If
3340 the additional monthly benefit is being received in one (1)
3341 payment, the additional benefit shall also be prorated based on
3342 the number of months in which a retirement allowance was received
3343 during the fiscal year when (i) the monthly benefit payable to a
3344 beneficiary terminates due to the expiration of an option,
3345 remarriage or cessation of dependent status or due to the
3346 retiree's return to covered employment, and (ii) the monthly
3347 benefit terminates on or after July 1 and before December 1. The
3348 board may, in its discretion, allow a retired member or a
3349 beneficiary thereof who is receiving the additional annual payment
3350 in the manner provided for in this paragraph to change the manner
3351 in which the additional annual payment is received to that
3352 provided for in paragraph (b) of this subsection if the retired
3353 member or beneficiary submits satisfactory documentation that the
3354 continued receipt of the additional annual payment as provided for
3355 in this paragraph will cause a financial hardship to the retired
3356 member or beneficiary.

3357 (b) Retired members or beneficiaries thereof who on
3358 July 1, 1999, or July 1 of any fiscal year thereafter, are



3359 receiving a retirement allowance, may elect by an irrevocable
3360 agreement in writing filed in the Office of the Public Employees'
3361 Retirement System no less than thirty (30) days before July 1 of
3362 the appropriate year, to begin receiving the additional benefit
3363 provided for under this section in twelve (12) equal monthly
3364 installments beginning July 1, 1999, or July 1 of any fiscal year
3365 thereafter. This irrevocable agreement shall be binding on the
3366 member and subsequent beneficiaries. Payment of those monthly
3367 installments shall not extend beyond the month in which a
3368 retirement allowance is due and payable. The board may, in its
3369 discretion, allow a retired member or a beneficiary thereof who is
3370 receiving the additional annual payment in the manner provided for
3371 in this paragraph to change the manner in which the additional
3372 annual payment is received to that provided for in paragraph (a)
3373 of this subsection if the retired member or beneficiary submits
3374 satisfactory documentation that the continued receipt of the
3375 additional annual payment as provided for in this paragraph will
3376 cause a financial hardship to the retired member or beneficiary.

3377 (4) The additional payment or payments provided for under
3378 this section are for the fiscal year in which they are paid.

3379 (5) (a) The amount provided for under subsection (1)
3380 (a)(ii) of this section is calculated using the following formula:

3381 $[(1.03)^n - 1] \times [\text{annual retirement allowance}],$



3382 where n is the number of full fiscal years in retirement beginning
3383 with the fiscal year in which the member reaches age fifty-five
3384 (55).

3385 (b) The amount provided for under subsection (1)(b)(ii)
3386 of this section is calculated using the following formula:

3387 $[(1.03)^n - 1] \times [\text{annual retirement allowance}]$,

3388 where n is the number of full fiscal years in retirement beginning
3389 with the fiscal year in which the member reaches age sixty (60).

3390 (6) Any retired member or beneficiary thereof who has
3391 previously elected to receive the additional annual payment in
3392 monthly installments may elect, upon application on a form
3393 prescribed by the board of trustees, to have that payment made in
3394 one (1) additional payment each year. This written election must
3395 be filed in the Office of the Public Employees' Retirement System
3396 before June 1, 2000, and shall be effective for the fiscal year
3397 beginning July 1, 2000.

3398 (7) In the event of death of a retired member or a
3399 beneficiary thereof who is receiving the additional annual payment
3400 in two (2) to six (6) monthly installments pursuant to an election
3401 made before July 1, 1999, and who would otherwise be eligible to
3402 receive the additional benefit provided for under this section in
3403 one (1) payment in December of the current fiscal year, any
3404 remaining amounts shall be paid in a lump sum to the designated
3405 beneficiary.



3406 (8) When a member retires after July 1 and has previously
3407 received a retirement allowance for one or more full fiscal years,
3408 the retired member shall be eligible immediately for the
3409 additional benefit. The additional benefit shall be based on the
3410 current retirement allowance and the number of full fiscal years
3411 in retirement and shall be prorated and paid in monthly
3412 installments based on the number of months a retirement allowance
3413 is paid during the fiscal year.

3414 (9) A member who became a member of the system on or after
3415 March 1, 2026, is not entitled to the additional annual benefit
3416 under this section; however, the Legislature may provide an
3417 additional benefit for a specific year.

3418 **SECTION 19.** Section 25-11-114, Mississippi Code of 1972, is
3419 amended as follows:

3420 25-11-114. (1) The applicable benefits provided in
3421 subsections (2) and (3) of this section shall be paid to eligible
3422 beneficiaries of any member who became a member of the system
3423 before July 1, 2007, and has completed four (4) or more years of
3424 membership service, or who became a member of the system on or
3425 after July 1, 2007, and has completed eight (8) or more years of
3426 membership service, and who dies before retirement and who has not
3427 filed a Pre-Retirement Optional Retirement Form as provided in
3428 Section 25-11-111.

3429 (2) (a) The surviving spouse of a member who dies before
3430 retirement shall receive a monthly benefit computed in accordance



3431 with paragraph (d) of this subsection (2) as if the member had
3432 nominated his spouse as beneficiary if:

3433 (i) The member completed the requisite minimum
3434 number of years of membership service to qualify for a retirement
3435 allowance at age sixty (60), for any member who became a member of
3436 the system before March 1, 2026, or at age sixty-two (62), for any
3437 member who became a member of the system on or after March 1,
3438 2026;

3439 (ii) The spouse has been married to the member for
3440 not less than one (1) year preceding the death of the member;

3441 (iii) The member has not exercised any other
3442 option.

3443 (b) If, at the time of the member's death, there are no
3444 dependent children, and the surviving spouse, who otherwise would
3445 receive the annuity under this subsection (2), has filed with the
3446 system a signed written waiver of his or her rights to the annuity
3447 and that waiver was in effect at the time of the member's death, a
3448 lump-sum distribution of the deceased member's accumulated
3449 contributions shall be refunded in accordance with Section
3450 25-11-117.

3451 (c) The spouse annuity shall begin on the first day of
3452 the month following the date of the member's death, but in case of
3453 late filing, retroactive payments will be made for a period of not
3454 more than one (1) year.



3455 (d) The spouse of a member who is eligible to receive a
3456 monthly benefit under paragraph (a) of this subsection (2) shall
3457 receive a benefit for life equal to the higher of the following:

3458 (i) The greater of twenty percent (20%) of the
3459 deceased member's average compensation as defined in Section
3460 25-11-103 at the time of death or Fifty Dollars (\$50.00) monthly;
3461 or

3462 (ii) Benefits calculated under Option 2 of Section
3463 25-11-115. The method of calculating the retirement benefits
3464 shall be on the same basis as provided in Section
3465 25-11-111(d) * * *, (e) or (g), as applicable. However, if the
3466 member dies before being qualified for a full, unreduced
3467 retirement allowance, then the benefits shall be reduced by an
3468 actuarially determined percentage or factor based on the lesser of
3469 either the number of years of service credit or the number of
3470 years in age required to qualify for a full, unreduced retirement
3471 allowance in Section 25-11-111(d) * * *, (e) or (g), as
3472 applicable.

3473 (e) The surviving spouse of a deceased member who
3474 previously received spouse retirement benefits under paragraph
3475 (d)(i) of this subsection from and after July 1, 1992, and whose
3476 benefits were terminated before July 1, 2004, because of
3477 remarriage, may again receive the retirement benefits authorized
3478 under paragraph (d)(i) of this subsection by making application
3479 with the board to reinstate those benefits. Any reinstatement of



3480 the benefits shall be prospective only and shall begin after the
3481 first of the month following the date of the application for
3482 reinstatement, but no earlier than July 1, 2004. From and after
3483 July 1, 2010, any spouse who chose Option 2 from and after July 1,
3484 1992, but before July 1, 2004, where the benefit, although payable
3485 for life, was less than the benefit available under the
3486 calculation in paragraph (d)(i) of this subsection shall have his
3487 or her benefit increased to the amount which provides the greater
3488 benefit.

3489 (3) (a) Subject to the maximum limitation provided in this
3490 paragraph, the member's dependent children each shall receive an
3491 annuity of the greater of ten percent (10%) of the member's
3492 average compensation as defined in Section 25-11-103 at the time
3493 of the death of the member or Fifty Dollars (\$50.00) monthly;
3494 however, if there are more than three (3) dependent children, each
3495 dependent child shall receive an equal share of a total annuity
3496 equal to thirty percent (30%) of the member's average
3497 compensation, provided that the total annuity shall not be less
3498 than One Hundred Fifty Dollars (\$150.00) per month for all
3499 children.

3500 (b) A child shall be considered to be a dependent child
3501 until marriage, or the attainment of age nineteen (19), whichever
3502 comes first; however, this age limitation shall be extended beyond
3503 age nineteen (19), but in no event beyond the attainment of age
3504 twenty-three (23), as long as the child is a student regularly



3505 pursuing a full-time course of resident study or training in an
3506 accredited high school, trade school, technical or vocational
3507 institute, junior or community college, college, university or
3508 comparable recognized educational institution duly licensed by a
3509 state. A student child who is receiving a retirement allowance as
3510 of June 30, 2016, whose birthday falls during the school year
3511 (September 1 through June 30) is considered not to reach age
3512 twenty-three (23) until the July 1 following the actual
3513 twenty-third birthday. A full-time course of resident study or
3514 training means a day or evening noncorrespondence course that
3515 includes school attendance at the rate of at least thirty-six (36)
3516 weeks per academic year or other applicable period with a subject
3517 load sufficient, if successfully completed, to attain the
3518 educational or training objective within the period generally
3519 accepted as minimum for completion, by a full-time day student, of
3520 the academic or training program concerned. Any child who is
3521 physically or mentally incompetent, as adjudged by either a
3522 Mississippi court of competent jurisdiction or by the board, shall
3523 receive benefits for as long as the incompetency exists.

3524 (c) If there are more than three (3) dependent
3525 children, upon a child's ceasing to be a dependent child, his
3526 annuity shall terminate and there shall be a redetermination of
3527 the amounts payable to any remaining dependent children.

3528 (d) Annuities payable under this subsection (3) shall
3529 begin the first day of the month following the date of the



3530 member's death or in case of late filing, retroactive payments
3531 will be made for a period of not more than one (1) year. Those
3532 benefits may be paid to a surviving parent or the lawful custodian
3533 of a dependent child for the use and benefit of the child without
3534 the necessity of appointment as guardian.

3535 (4) (a) Death benefits in the line of duty. Regardless of
3536 the number of years of the member's creditable service, the spouse
3537 and/or the dependent children of an active member who is killed or
3538 dies as a direct result of a physical injury sustained from an
3539 accident or a traumatic event caused by external violence or
3540 physical force occurring in the line of performance of duty shall
3541 qualify, on approval of the board, for a retirement allowance on
3542 the first of the month following the date of death, but in the
3543 case of late filing, retroactive payments will be made for a
3544 period of not more than one (1) year. The spouse shall receive a
3545 retirement allowance for life equal to one-half (1/2) of the
3546 average compensation as defined in Section 25-11-103. In addition
3547 to the retirement allowance for the spouse, or if there is no
3548 surviving spouse, the member's dependent child shall receive a
3549 retirement allowance in the amount of one-fourth (1/4) of the
3550 member's average compensation as defined in Section 25-11-103;
3551 however, if there are two (2) or more dependent children, each
3552 dependent child shall receive an equal share of a total annuity
3553 equal to one-half (1/2) of the member's average compensation. If
3554 there are more than two (2) dependent children, upon a child's



3555 ceasing to be a dependent child, his annuity shall terminate and
3556 there shall be a redetermination of the amounts payable to any
3557 remaining dependent children. Those benefits shall cease to be
3558 paid for the support and maintenance of each child upon the child
3559 attaining the age of nineteen (19) years; however, the spouse
3560 shall continue to be eligible for the aforesaid retirement
3561 allowance. Those benefits may be paid to a surviving parent or
3562 lawful custodian of the children for the use and benefit of the
3563 children without the necessity of appointment as guardian. Any
3564 spouse who received spouse retirement benefits under this
3565 paragraph (a) from and after April 4, 1984, and whose benefits
3566 were terminated before July 1, 2004, because of remarriage, may
3567 again receive the retirement benefits authorized under this
3568 paragraph (a) by making application with the board to reinstate
3569 those benefits. Any reinstatement of the benefits shall be
3570 prospective only and shall begin after the first of the month
3571 following the date of the application for reinstatement, but not
3572 earlier than July 1, 2004.

3573 (b) A child shall be considered to be a dependent child
3574 until marriage, or the attainment of age nineteen (19), whichever
3575 comes first; however, this age limitation shall be extended beyond
3576 age nineteen (19), but in no event beyond the attainment of age
3577 twenty-three (23), as long as the child is a student regularly
3578 pursuing a full-time course of resident study or training in an
3579 accredited high school, trade school, technical or vocational



3580 institute, junior or community college, college, university or
3581 comparable recognized educational institution duly licensed by a
3582 state. A student child who is receiving a retirement allowance as
3583 of June 30, 2016, whose birthday falls during the school year
3584 (September 1 through June 30) is considered not to reach age
3585 twenty-three (23) until the July 1 following the actual
3586 twenty-third birthday. A full-time course of resident study or
3587 training means a day or evening noncorrespondence course that
3588 includes school attendance at the rate of at least thirty-six (36)
3589 weeks per academic year or other applicable period with a subject
3590 load sufficient, if successfully completed, to attain the
3591 educational or training objective within the period generally
3592 accepted as minimum for completion, by a full-time day student, of
3593 the academic or training program concerned. Any child who is
3594 physically or mentally incompetent, as adjudged by either a
3595 Mississippi court of competent jurisdiction or by the board, shall
3596 receive benefits for as long as the incompetency exists.

3597 (5) If all the annuities provided for in this section
3598 payable on account of the death of a member terminate before there
3599 has been paid an aggregate amount equal to the member's
3600 accumulated contributions standing to the member's credit in the
3601 annuity savings account at the time of the member's death, the
3602 difference between the accumulated contributions and the aggregate
3603 amount of annuity payments shall be paid to the person that the
3604 member has nominated by written designation duly executed and



3605 filed with the board. If there is no designated beneficiary
3606 surviving at termination of benefits, the difference shall be
3607 payable under Section 25-11-117.1(1).

3608 (6) Regardless of the number of years of creditable service,
3609 upon the application of a member or employer, any active member
3610 who becomes disabled as a direct result of a physical injury
3611 sustained from an accident or traumatic event caused by external
3612 violence or physical force occurring in the line of performance of
3613 duty, provided that the medical board or other designated
3614 governmental agency after a medical examination certifies that the
3615 member is mentally or physically incapacitated for the further
3616 performance of duty and the incapacity is likely to be permanent,
3617 may be retired by the board of trustees on the first of the month
3618 following the date of filing the application but in no event shall
3619 the retirement allowance begin before the termination of state
3620 service. If a member who has been approved for a retirement
3621 allowance under this subsection does not terminate state service
3622 within ninety (90) days after the approval, the retirement
3623 allowance and the application for the allowance shall be void.
3624 The retirement allowance shall equal the allowance on disability
3625 retirement as provided in Section 25-11-113 but shall not be less
3626 than fifty percent (50%) of average compensation. Line of duty
3627 disability benefits under this section shall be administered in
3628 accordance with the provisions of Section 25-11-113(1)(b), (c),
3629 (d), (e) and (f), (3), (4), (5) and (6).



3630 (7) For purposes of determining death or disability benefits
3631 under this section, the following shall apply:

3632 (a) Death or permanent and total disability resulting
3633 from a cardiovascular, pulmonary or musculoskeletal condition that
3634 was not a direct result of a physical injury sustained from an
3635 accident or a traumatic event caused by external violence or
3636 physical force occurring in the performance of duty shall be
3637 deemed a natural death or an ordinary disability.

3638 (b) A mental disability based exclusively on employment
3639 duties occurring on an ongoing basis shall be deemed an ordinary
3640 disability.

3641 (8) If the deceased or disabled member has less than four
3642 (4) years of membership service, the average compensation as
3643 defined in Section 25-11-103 shall be the average of all annual
3644 earned compensation in state service for the purposes of benefits
3645 provided in this section.

3646 (9) In case of death or total and permanent disability under
3647 subsection (4) or subsection (6) of this section and before the
3648 board shall consider any application for a retirement allowance,
3649 the employer must certify to the board that the member's death or
3650 disability was a direct result of an accident or a traumatic event
3651 occurring during and as a result of the performance of the regular
3652 and assigned duties of the employee and that the death or
3653 disability was not the result of the willful negligence of the
3654 employee.



3655 (10) The application for the retirement allowance must be
3656 filed within one (1) year after death of an active member who is
3657 killed in the line of performance of duty or dies as a direct
3658 result of an accident occurring in the line of performance of duty
3659 or traumatic event; but the board of trustees may consider an
3660 application for disability filed after the one-year period if it
3661 can be factually demonstrated to the satisfaction of the board of
3662 trustees that the disability is due to the accident and that the
3663 filing was not accomplished within the one-year period due to a
3664 delayed manifestation of the disability or to circumstances beyond
3665 the control of the member. However, in case of late filing,
3666 retroactive payments will be made for a period of not more than
3667 one (1) year only.

3668 (11) (a) Notwithstanding any other section of this article
3669 and in lieu of any payments to a designated beneficiary for a
3670 refund of contributions under Section 25-11-117, the spouse and/or
3671 children shall be eligible for the benefits payable under this
3672 section, and the spouse may elect, for both the spouse and/or
3673 children, to receive benefits in accordance with either
3674 subsections (2) and (3) or subsection (4) of this section;
3675 otherwise, the contributions to the credit of the deceased member
3676 shall be refunded in accordance with Section 25-11-117.

3677 (b) Notwithstanding any other section of this article,
3678 a spouse who is entitled to receive a monthly benefit under either
3679 subsection (2) or (4) of this section and who is also the named



3680 beneficiary for a refund of accumulated contributions in the
3681 member's annuity savings account, may, after the death of the
3682 member, elect to receive a refund of accumulated contributions in
3683 lieu of a monthly allowance, provided that there are no dependent
3684 children entitled to benefits under subsection (3) of this
3685 section.

3686 (12) If the member has previously received benefits from the
3687 system to which he was not entitled and has not repaid in full all
3688 amounts payable by him to the system, the annuity amounts
3689 otherwise provided by this section shall be withheld and used to
3690 effect repayment until the total of the withholdings repays in
3691 full all amounts payable by him to the system.

3692 **SECTION 20.** Section 25-11-115, Mississippi Code of 1972, is
3693 amended as follows:

3694 25-11-115. (1) Upon application for superannuation or
3695 disability retirement, any member may elect to receive his or her
3696 benefit in a retirement allowance payable throughout life with no
3697 further payments to anyone at the member's death, except that if
3698 the member's total retirement payments under this article do not
3699 equal the member's total contributions under this article, the
3700 named beneficiary shall receive the difference in cash at the
3701 member's death. Or the member may elect upon retirement, or upon
3702 becoming eligible for retirement, to receive the actuarial
3703 equivalent subject to the provisions of subsection (3) of this



3704 section of his or her retirement allowance in a reduced retirement
3705 allowance payable throughout life with the provision that:

3706 **Option 1.** If the retired member dies before he or she has
3707 received in annuity payment the value of the member's annuity
3708 savings account as it was at the time of the member's retirement,
3709 the balance shall be paid to the legal representative or to such
3710 person as the member has nominated by written designation duly
3711 acknowledged and filed with the board;

3712 **Option 2.** Upon the retired member's death, his or her
3713 reduced retirement allowance shall be continued throughout the
3714 life of, and paid to, such person as the member has nominated by
3715 written designation duly acknowledged and filed with the board of
3716 trustees at the time of his or her retirement;

3717 **Option 3.** Upon the retired member's death, one-half (1/2) of
3718 his or her reduced retirement allowance shall be continued
3719 throughout the life of, and paid to, such person as the member has
3720 nominated by written designation duly acknowledged and filed with
3721 the board of trustees at the time of his or her retirement, and
3722 the other one-half (1/2) of his or her reduced retirement
3723 allowance to some other designated beneficiary;

3724 **Option 4.** Upon the retired member's death, three-fourths
3725 (3/4) of his or her reduced retirement allowance, or such other
3726 specified amount, shall be continued throughout the life of, and
3727 paid to, such person as the member has nominated by written



3728 designation duly acknowledged and filed with the board of trustees
3729 at the time of his or her retirement;

3730 **Option 4-A.** Upon the retired member's death, one-half (1/2)
3731 of his or her reduced retirement allowance, or such other
3732 specified amount, shall be continued throughout the life of, and
3733 paid to, such person as the member has nominated by written
3734 designation duly acknowledged and filed with the board of trustees
3735 at the time of his or her retirement;

3736 **Option 4-B.** A reduced retirement allowance shall be
3737 continued throughout the life of the retirant, but with the
3738 further guarantee of payments to the named beneficiary or
3739 beneficiaries for a specified number of years certain. If the
3740 retired member or the last designated beneficiary both die before
3741 receiving all guaranteed payments due, the actuarial equivalent of
3742 the remaining payments shall be paid to the successors of the
3743 retired member under Section 25-11-117.1(1);

3744 **Option 6.** Any member who became a member of the system
3745 before July 1, 2007, and who has at least twenty-eight (28) years
3746 of creditable service at the time of retirement or who is at least
3747 sixty-three (63) years of age and eligible to retire, may select
3748 the maximum retirement benefit or an optional benefit as provided
3749 in this subsection together with a partial lump-sum distribution.
3750 Any member who became a member of the system on or after July 1,
3751 2007, but before July 1, 2011, and who has at least twenty-eight
3752 (28) years of creditable service at the time of retirement may



3753 select the maximum retirement benefit or any optional benefit as
3754 provided in this subsection together with a partial lump-sum
3755 distribution. Any member who became a member of the system on or
3756 after July 1, 2011, but before March 1, 2026, and who has at least
3757 thirty-three (33) years of creditable service at the time of
3758 retirement may select the maximum retirement benefit or any
3759 optional benefit as provided in this subsection together with a
3760 partial lump-sum distribution. Any member who became a member of
3761 the system on or after March 1, 2026, shall not be eligible for a
3762 partial lump-sum distribution. The amount of the lump-sum
3763 distribution under this option shall be equal to the maximum
3764 monthly benefit multiplied by twelve (12), twenty-four (24) or
3765 thirty-six (36) as selected by the member. The maximum retirement
3766 benefit shall be actuarially reduced to reflect the amount of the
3767 lump-sum distribution selected and further reduced for any other
3768 optional benefit selected. The annuity and lump-sum distribution
3769 shall be computed to result in no actuarial loss to the system.
3770 The lump-sum distribution shall be made as a single payment
3771 payable at the time the first monthly annuity payment is paid to
3772 the retiree. The amount of the lump-sum distribution shall be
3773 deducted from the member's annuity savings account in computing
3774 what contributions remain at the death of the retiree and/or a
3775 beneficiary. The lump-sum distribution option may be elected only
3776 once by a member upon initial retirement, and may not be elected



3777 by a retiree, by members applying for a disability retirement
3778 annuity, or by survivors.

3779 (2) No change in the option selected shall be permitted
3780 after the member's death or after the member has received his or
3781 her first retirement check except as provided in subsections (3)
3782 and (4) of this section and in Section 25-11-127. Members who are
3783 pursuing a disability retirement allowance and simultaneously or
3784 later elect to begin to receive a service retirement allowance
3785 while continuing to pursue a disability retirement allowance,
3786 shall not be eligible to select Option 6 and that option may not
3787 be selected at a later time if the application for a disability
3788 retirement allowance is voided or denied. However, any retired
3789 member who is receiving a retirement allowance under Option 2 or
3790 Option 4-A upon July 1, 1992, and whose designated beneficiary
3791 predeceased him or her or whose marriage to a spouse who is his or
3792 her designated beneficiary is terminated by divorce or other
3793 dissolution, upon written notification to the retirement system of
3794 the death of the designated beneficiary or of the termination of
3795 the retired member's marriage to the designated beneficiary, the
3796 retirement allowance payable to the member after receipt of that
3797 notification by the retirement system shall be equal to the
3798 retirement allowance that would have been payable if the member
3799 had not elected the option. In addition, any retired member who
3800 is receiving the maximum retirement allowance for life, a
3801 retirement allowance under Option 1 or who is receiving a



3802 retirement allowance under Option 2 or Option 4-A on July 1, 1992,
3803 may elect to provide survivor benefits under Option 2 or Option
3804 4-A to a spouse who was not previously the member's beneficiary
3805 and whom the member married before July 1, 1992.

3806 (3) Any retired member who is receiving a reduced retirement
3807 allowance under Option 2, Option 4 or Option 4-A whose designated
3808 beneficiary predeceases him or her, or whose marriage to a spouse
3809 who is his or her designated beneficiary is terminated by divorce
3810 or other dissolution, may elect to cancel the reduced retirement
3811 allowance and receive the maximum retirement allowance for life in
3812 an amount equal to the amount that would have been payable if the
3813 member had not elected Option 2, Option 4 or Option 4-A. That
3814 election must be made in writing to the office of the executive
3815 director of the system on a form prescribed by the board. Any
3816 such election shall be effective the first of the month following
3817 the date the election is received by the system; however, the
3818 election may be applied retroactively for not more than three (3)
3819 months but no earlier than the first of the month following the
3820 date of the death of the beneficiary.

3821 (4) Any retired member who is receiving the maximum
3822 retirement allowance for life, or a retirement allowance under
3823 Option 1, and who marries after his or her retirement may elect to
3824 cancel the maximum retirement allowance and receive a reduced
3825 retirement allowance under Option 2, Option 4 or Option 4-A to
3826 provide continuing lifetime benefits to his or her spouse. That



3827 election must be made in writing to the office of the executive
3828 director of the system on a form prescribed by the board not
3829 earlier than the date of the marriage and not later than one (1)
3830 year from the date of the marriage. Any such election shall be
3831 effective the first of the month following the date the election
3832 is received by the system.

3833 (5) (a) Except as otherwise provided in this subsection, if
3834 the election of an optional benefit is made after the member has
3835 attained the age of sixty-five (65) years, the actuarial
3836 equivalent factor shall be used to compute the reduced retirement
3837 allowance as if the election had been made on his or her
3838 sixty-fifth birthday; however, from and after January 1, 2003, if
3839 there is an election of Option 6 after the member has attained the
3840 age of sixty-five (65) years, the actuarial equivalent factor
3841 based on the retiree's age at the time of retirement shall be used
3842 to compute the reduced maximum monthly retirement allowance.
3843 However, if a retiree marries or remarries after retirement and
3844 elects either Option 2 or Option 4-A as provided in subsection (2)
3845 or (4) of this section, the actuarial equivalent factor used to
3846 compute the reduced retirement allowance shall be the factor for
3847 the age of the retiree and his or her beneficiary at the time such
3848 election for recalculation of benefits is made.

3849 (b) For members who retire on or after July 1, 2012,
3850 the actuarial equivalent factor used to compute the reduced
3851 retirement allowance at retirement or upon any subsequent



3852 recalculation of the benefit shall be the factor for the age of
3853 the retiree and his or her beneficiary at the time of retirement
3854 or at the time an election for recalculation of benefits is made.

3855 (6) Notwithstanding any provision of Section 25-11-1 et
3856 seq., no payments may be made for a retirement allowance on a
3857 monthly basis for a period of time in excess of that allowed by
3858 federal law.

3859 (7) If a retirant and his or her eligible beneficiary, if
3860 any, both die before they have received in annuity payments a
3861 total amount equal to the accumulated contributions standing to
3862 the retirant's credit in the annuity savings account at the time
3863 of his or her retirement, the difference between the accumulated
3864 contributions and the total amount of annuities received by them
3865 shall be paid to such persons as the retirant has nominated by
3866 written designation duly executed and filed in the office of the
3867 executive director. If no designated person survives the retirant
3868 and his or her beneficiary, the difference, if any, shall be paid
3869 under Section 25-11-117.1(1).

3870 (8) Any retired member who retired on Option 2(5) or 4-A(5)
3871 before July 1, 1992, who is still receiving a retirement allowance
3872 on July 1, 1994, shall receive an increase in the annual
3873 retirement allowance effective July 1, 1994, equal to the amount
3874 they would have received under Option 2 or Option 4-A without a
3875 reduction for Option 5 based on the ages at retirement of the



3876 retiree and beneficiary and option factors in effect on July 1,
3877 1992. That increase shall be prospective only.

3878 **SECTION 21.** Section 25-11-117, Mississippi Code of 1972, is
3879 amended as follows:

3880 25-11-117. (1) A member may be paid a refund of the amount
3881 of accumulated contributions to the credit of the member in the
3882 annuity savings account, provided that the member has withdrawn
3883 from state service and has not returned to state service on the
3884 date the refund of the accumulated contributions would be paid.
3885 That refund of the contributions to the credit of the member in
3886 the annuity savings account shall be paid within ninety (90) days
3887 from receipt in the office of the retirement system of the
3888 properly completed form requesting the payment. In the event of
3889 death before retirement of any member whose spouse and/or children
3890 are not entitled to a retirement allowance, the accumulated
3891 contributions to the credit of the deceased member in the annuity
3892 savings account shall be paid to the designated beneficiary on
3893 file in writing in the office of the executive director of the
3894 board of trustees within ninety (90) days from receipt of a
3895 properly completed form requesting the payment. If there is no
3896 such designated beneficiary on file for the deceased member in the
3897 office of the system, upon the filing of a proper request with the
3898 board, the contributions to the credit of the deceased member in
3899 the annuity savings account shall be refunded under Section
3900 25-11-117.1(1). The payment of the refund shall discharge all



3901 obligations of the retirement system to the member on account of
3902 any creditable service rendered by the member before the receipt
3903 of the refund. By the acceptance of the refund, the member shall
3904 waive and relinquish all accrued rights in the system.

3905 (2) Under the Unemployment Compensation Amendments of 1992
3906 (Public Law 102-318 (UCA)), a member or the spouse of a member who
3907 is an eligible beneficiary entitled to a refund under this section
3908 may elect, on a form prescribed by the board under rules and
3909 regulations established by the board, to have an eligible rollover
3910 distribution of accumulated contributions payable under this
3911 section paid directly to an eligible retirement plan, as defined
3912 under applicable federal law, or an individual retirement account.
3913 If the member or the spouse of a member who is an eligible
3914 beneficiary makes that election and specifies the eligible
3915 retirement plan or individual retirement account to which the
3916 distribution is to be paid, the distribution will be made in the
3917 form of a direct trustee-to-trustee transfer to the specified
3918 eligible retirement plan. A nonspouse beneficiary may elect to
3919 have an eligible rollover distribution paid in the form of a
3920 direct trustee-to-trustee transfer to an individual retirement
3921 account established to receive the distribution on behalf of the
3922 nonspouse beneficiary. Flexible rollovers under this subsection
3923 shall not be considered assignments under Section 25-11-129.

3924 (3) (a) If any person who has received a refund, reenters
3925 the state service and again becomes a member of the system before



3926 July 1, 2007, the member may repay all or part of the amounts
3927 previously received as a refund, together with regular interest
3928 covering the period from the date of refund to the date of
3929 repayment; however, the amounts that are repaid by the member and
3930 the creditable service related thereto shall not be used in any
3931 benefit calculation or determination until the member has remained
3932 a contributor to the system for a period of at least four (4)
3933 years after the member's reentry into state service. Repayment
3934 for that time shall be made beginning with the most recent service
3935 for which refund has been made. Upon the repayment of all or part
3936 of that refund and interest, the member shall again receive credit
3937 for the period of creditable service for which full repayment has
3938 been made to the system.

3939 (b) If any person who has received a refund, reenters
3940 the state service and again becomes a member of the system on or
3941 after July 1, 2007, but before March 1, 2026, the member may repay
3942 all or part of the amounts previously received as a refund,
3943 together with regular interest covering the period from the date
3944 of refund to the date of repayment; however, the amounts that are
3945 repaid by the member and the creditable service related thereto
3946 shall not be used in any benefit calculation or determination
3947 until the member has remained a contributor to the system for a
3948 period of at least eight (8) years after the member's reentry into
3949 state service. Repayment for that time shall be made beginning
3950 with the most recent service for which refund has been made. Upon



3951 the repayment of all or part of that refund and interest, the
3952 member shall again receive credit for the period of creditable
3953 service for which full repayment has been made to the system.

3954 (c) If any person who has received a refund reenters
3955 state service and again becomes a member of the system on or after
3956 March 1, 2026, the member shall not be eligible to repay any
3957 portion of amounts previously received as a refund and may not
3958 receive creditable service for service rendered before March 1,
3959 2026.

3960 (4) (a) In order to provide a source of income to members
3961 who have applied for disability benefits under Section 25-11-113
3962 or 25-11-114, the board may provide, at the employee's election, a
3963 temporary benefit to be paid from the member's accumulated
3964 contributions, if any, without forfeiting the right to pursue
3965 disability benefits, provided that the member has exhausted all
3966 personal and medical leave and has terminated his or her
3967 employment. The board may prescribe rules and regulations for
3968 carrying out the provisions of this subsection (4).

3969 (b) If a member who has elected to receive temporary
3970 benefits under this subsection later applies for a refund of his
3971 or her accumulated contributions, all amounts paid under this
3972 subsection shall be deducted from the accumulated contributions
3973 and the balance will be paid to the member. If a member who has
3974 elected to receive temporary benefits under this subsection is
3975 later approved for a disability retirement allowance, and a



3976 service retirement allowance or survivor benefits are paid on the
3977 account, the board shall adjust the benefits in such a manner that
3978 no more than the actuarial equivalent of the benefits to which the
3979 member or beneficiary was or is entitled shall be paid.

3980 (c) The board may study, develop and propose a
3981 disability benefit structure, including short- and long-term
3982 disability benefits, provided that it is the actuarial equivalent
3983 of the benefits currently provided in Section 25-11-113 or
3984 25-11-114.

3985 **SECTION 22.** Section 25-11-123, Mississippi Code of 1972, is
3986 amended as follows:

3987 25-11-123. All of the assets of the system shall be credited
3988 according to the purpose for which they are held to one (1) of
3989 four (4) reserves; namely, the annuity savings account, the
3990 annuity reserve, the employer's accumulation account, and the
3991 expense account; however, any employee who became a member of the
3992 system on or after March 1, 2026, shall also have a defined
3993 contribution plan administered by the system, as provided in
3994 Section 14 of this act.

3995 (a) **Annuity savings account.** In the annuity savings
3996 account shall be accumulated the contributions made by members to
3997 provide for their annuities, including interest thereon which
3998 shall be posted monthly. Credits to and charges against the
3999 annuity savings account shall be made as follows:



4000 (1) Beginning July 1, 2010, except as otherwise
4001 provided in Section 25-11-126, the employer shall cause to be
4002 deducted from the salary of each member on each and every payroll
4003 of the employer for each and every payroll period nine percent
4004 (9%) of earned compensation as defined in Section 25-11-103;
4005 however, for any employee who became a member of the system on or
4006 after March 1, 2026, only four percent (4%) of such earned
4007 compensation shall be deposited into the annuity savings account,
4008 with the remaining five percent (5%), to be deposited into the
4009 employee's defined contribution account authorized in Section 14
4010 of this act. Future contributions shall be fixed biennially by
4011 the board on the basis of the liabilities of the retirement system
4012 for the various allowances and benefits as shown by actuarial
4013 valuation; however, any member earning at a rate less than Sixteen
4014 Dollars and Sixty-seven Cents (\$16.67) per month, or Two Hundred
4015 Dollars (\$200.00) per year, shall contribute not less than One
4016 Dollar (\$1.00) per month, or Twelve Dollars (\$12.00) per year.

4017 (2) The deductions provided in paragraph (1) of
4018 this subsection shall be made notwithstanding that the minimum
4019 compensation provided by law for any member is reduced by the
4020 deduction. Every member shall be deemed to consent and agree to
4021 the deductions made and provided for in paragraph (1) of this
4022 subsection and shall receipt for his full salary or compensation,
4023 and payment of salary or compensation less the deduction shall be
4024 a full and complete discharge and acquittance of all claims and



4025 demands whatsoever for the services rendered by the person during
4026 the period covered by the payment, except as to the benefits
4027 provided under Articles 1 and 3. The board shall provide by rules
4028 for the methods of collection of contributions from members and
4029 the employer. The board shall have full authority to require the
4030 production of evidence necessary to verify the correctness of
4031 amounts contributed.

4032 (b) **Annuity reserve.** The annuity reserve shall be the
4033 account representing the actuarial value of all annuities in
4034 force, and to it shall be charged all annuities and all benefits
4035 in lieu of annuities, payable as provided in this article. If a
4036 beneficiary retired on account of disability is restored to active
4037 service with a compensation not less than his average final
4038 compensation at the time of his last retirement, the remainder of
4039 his contributions shall be transferred from the annuity reserve to
4040 the annuity savings account and credited to his individual account
4041 therein, and the balance of his annuity reserve shall be
4042 transferred to the employer's accumulation account.

4043 (c) **Employer's accumulation account.** The employer's
4044 accumulation account shall represent the accumulation of all
4045 reserves for the payment of all retirement allowances and other
4046 benefits payable from contributions made by the employer, and
4047 against this account shall be charged all retirement allowances
4048 and other benefits on account of members. Credits to and charges



4049 against the employer's accumulation account shall be made as
4050 follows:

4051 (1) On account of each member who became a member
4052 of the system before March 1, 2026, there shall be paid monthly
4053 into the employer's accumulation account by the employers for the
4054 preceding fiscal year an amount equal to a certain percentage of
4055 the total earned compensation, as defined in Section 25-11-103, of
4056 each member. From and after May 9, 2024, the increase in the
4057 employer's contribution rate scheduled to take effect on July 1,
4058 2024, is rescinded and shall not take effect; however, on July 1
4059 of each year from 2024 through 2028, the employer's contribution
4060 rate shall be increased by one-half percent (1/2%). For each
4061 member who became a member of the system on or after March 1,
4062 2026, except as provided in Section 14 of this act, the employer's
4063 monthly payment under this paragraph (1) shall be applied to the
4064 accrued liability contribution fund.

4065 (2) For the public good, any recommendation by the
4066 board to adjust the employer contributions * * * may be
4067 accompanied by at least two (2) assessments from actuaries who are
4068 independent from each other and the retirement plan. The
4069 actuaries shall analyze the economic impact of any such
4070 recommendation to the system and state, including, but not limited
4071 to, information showing the fiscal impact to every agency and arm
4072 of the state, including, but not limited to, state agencies,
4073 cities, counties and school districts. The actuarial assessments,



4074 with any such recommendation to adjust the employer contributions,
4075 shall be submitted to the Lieutenant Governor, Speaker of the
4076 House, Chairman of the Senate Appropriations Committee and
4077 Chairman of the House Appropriations Committee.

4078 (3) The board shall have the authority to make
4079 recommendations regarding additional funding sources for the
4080 retirement plan, including employer contribution increases, based
4081 on the assets and liabilities of the retirement plan, and the
4082 analyses required by paragraph (2) of this subsection (c). The
4083 Legislature shall have the sole authority to implement any such
4084 recommendations. It is the intent of the Legislature that, in the
4085 2025 Regular Session, a law be enacted to create a new tier for
4086 future members of the system, in furtherance of the system's
4087 continued financial stability and sustainability.

4088 (4) This section shall not be construed to provide
4089 authority to reduce or eliminate any earned benefits to be
4090 provided by the state to persons who, before July 1, 2025, are
4091 drawing a retirement allowance or are members of the system.

4092 (5) On the basis of regular interest and of such
4093 mortality and other tables as are adopted by the board of
4094 trustees, the actuary engaged by the board to make each valuation
4095 required by this article during the period over which the accrued
4096 liability contribution is payable, immediately after making that
4097 valuation, shall determine the uniform and constant percentage of
4098 the earnable compensation of each member which, if contributed by



4099 the employer on the basis of compensation of the member throughout
4100 his entire period of membership service, would be sufficient to
4101 provide for the payment of any retirement allowance payable on his
4102 account for that service. The percentage rate so determined shall
4103 be known as the "normal contribution rate." After the accrued
4104 liability contribution has ceased to be payable, the normal
4105 contribution rate shall be the percentage rate of the salary of
4106 all members obtained by deducting from the total liabilities on
4107 account of membership service the amount in the employer's
4108 accumulation account, and dividing the remainder by one percent
4109 (1%) of the present value of the prospective future salaries of
4110 all members as computed on the basis of the mortality and service
4111 tables adopted by the board of trustees and regular interest. The
4112 normal rate of contributions shall be determined by the actuary
4113 after each valuation.

4114 (6) The total amount payable in each year to the
4115 employer's accumulation account shall not be less than the sum of
4116 the percentage rate known as the "normal contribution rate" and
4117 the "accrued liability contribution rate" of the total
4118 compensation earnable by all members during the preceding year,
4119 provided that the payment by the employer shall be sufficient,
4120 when combined with the amounts in the account, to provide the
4121 allowances and other benefits chargeable to this account during
4122 the year then current.



4123 (7) The accrued liability contribution shall be
4124 discontinued as soon as the accumulated balance in the employer's
4125 accumulation account shall equal the present value, computed on
4126 the basis of the normal contribution rate then in force, or the
4127 prospective normal contributions to be received on account of all
4128 persons who are at that time members.

4129 (8) All allowances and benefits in lieu thereof,
4130 with the exception of those payable on account of members who
4131 receive no prior service credit, payable from contributions of the
4132 employer, shall be paid from the employer's accumulation account.

4133 (9) Upon the retirement of a member, an amount
4134 equal to his retirement allowance shall be transferred from the
4135 employer's accumulation account to the annuity reserve.

4136 (10) The employer's accumulation account shall be
4137 credited with any assets authorized by law to be credited to the
4138 account.

4139 (d) **Expense account.** The expense account shall be the
4140 account to which the expenses of the administration of the system
4141 shall be charged, exclusive of amounts payable as retirement
4142 allowances and as other benefits provided herein. The Legislature
4143 shall make annual appropriations in amounts sufficient to
4144 administer the system, which shall be credited to this account.
4145 There shall be transferred to the State Treasury from this
4146 account, not less than once per month, an amount sufficient for
4147 payment of the estimated expenses of the system for the succeeding



4148 thirty (30) days. Any interest earned on the expense account
4149 shall accrue to the benefit of the system. However,
4150 notwithstanding the provisions of Sections 25-11-15(10) and
4151 25-11-105(f) (v) 5, all expenses of the administration of the system
4152 shall be paid from the interest earnings, provided the interest
4153 earnings are in excess of the actuarial interest assumption as
4154 determined by the board, and provided the present cost of the
4155 administrative expense fee of two percent (2%) of the
4156 contributions reported by the political subdivisions and
4157 instrumentalities shall be reduced to one percent (1%) from and
4158 after July 1, 1983, through June 30, 1984, and shall be eliminated
4159 thereafter.

4160 (e) **Collection of contributions.** The employer shall
4161 cause to be deducted on each and every payroll of a member for
4162 each and every payroll period, beginning subsequent to January 31,
4163 1953, the contributions payable by the member as provided in
4164 Articles 1 and 3.

4165 The employer shall make deductions from salaries of employees
4166 as provided in Articles 1 and 3 and shall transmit monthly, or at
4167 such time as the board of trustees designates, the amount
4168 specified to be deducted to the Executive Director of the Public
4169 Employees' Retirement System. The executive director, after
4170 making a record of all those receipts, shall deposit such amounts
4171 as provided by law.



4172 (f) (1) The sum of the normal contribution rate and the
4173 accrued liability contribution rate shall be known as the
4174 "employer's contribution rate."

4175 (2) The amount payable by the employer on account
4176 of normal and accrued liability contributions shall be determined
4177 by applying the employer's contribution rate to the amount of
4178 compensation earned by employees who are members of the system.
4179 Monthly, or at such time as the board of trustees designates, each
4180 department or agency shall compute the amount of the employer's
4181 contribution payable, with respect to the salaries of its
4182 employees who are members of the system, and shall cause that
4183 amount to be paid to the board of trustees from the personal
4184 service allotment of the amount appropriated for the operation of
4185 the department or agency, or from funds otherwise available to the
4186 agency, for the payment of salaries to its employees.

4187 (3) Except as otherwise provided in Section
4188 25-11-106:

4189 (i) Constables shall pay employer and
4190 employee contributions on their net fee income as well as the
4191 employee contributions on all direct treasury or county payroll
4192 income.

4193 (ii) The county shall be responsible for the
4194 employer contribution on all direct treasury or county payroll
4195 income of constables.



4196 (4) Except as otherwise provided in Section
4197 25-11-106.1, chancery and circuit clerks shall be responsible for
4198 both the employer and employee share of contributions on the
4199 proportionate share of net income attributable to fees, as well as
4200 the employee share of net income attributable to direct treasury
4201 or county payroll income, and the employing county shall be
4202 responsible for the employer contributions on the net income
4203 attributable to direct treasury or county payroll income.

4204 (5) Once each year, under procedures established
4205 by the system, each employer shall submit to the Public Employees'
4206 Retirement System a copy of their report to Social Security of all
4207 employees' earnings.

4208 (6) The board shall provide by rules for the
4209 methods of collection of contributions of employers and members.
4210 The amounts determined due by an agency to the various funds as
4211 specified in Articles 1 and 3 are made obligations of the agency
4212 to the board and shall be paid as provided herein. Failure to
4213 deduct those contributions shall not relieve the employee and
4214 employer from liability thereof. Delinquent employee
4215 contributions and any accrued interest shall be the obligation of
4216 the employee and delinquent employer contributions and any accrued
4217 interest shall be the obligation of the employer. The employer
4218 may, in its discretion, elect to pay any or all of the interest on
4219 delinquent employee contributions. From and after July 1, 1996,
4220 under rules and regulations established by the board, all



4221 employers are authorized and shall transfer all funds due to the
4222 Public Employees' Retirement System electronically and shall
4223 transmit any wage or other reports by computerized reporting
4224 systems.

4225 **SECTION 23.** Section 25-11-305, Mississippi Code of 1972, is
4226 amended as follows:

4227 25-11-305. (1) The membership of the Supplemental
4228 Legislative Retirement Plan shall be composed as follows:

4229 (a) All members of the State Legislature who are
4230 currently serving in the capacity of an elected official of the
4231 State Legislature and the person currently serving as President of
4232 the Senate shall become members of this system on July 1, 1989,
4233 unless they file with the board within thirty (30) days after July
4234 1, 1989, on a form prescribed by the board, a notice of election
4235 not to be covered in the membership of the Supplemental
4236 Legislative Retirement Plan and a duly executed waiver of all
4237 present and prospective benefits which would otherwise inure to
4238 them on account of their participation in the plan.

4239 (b) All members of the State Legislature and the
4240 President of the Senate who are elected after July 1, 1989, but
4241 before March 1, 2026.

4242 (2) Any state legislators who would have otherwise qualified
4243 for membership in the plan under subsection (1) of this section
4244 but who were excluded from membership by other provisions of this
4245 section as it read before March 26, 1991, shall become members of



4246 the plan upon March 26, 1991, and shall receive creditable service
4247 in the plan for the period from July 1, 1989, to March 26, 1991,
4248 upon payment of the proper employee and employer contributions for
4249 that period.

4250 (3) Membership in the plan shall cease by a member
4251 withdrawing his accumulated contributions, or by a member
4252 withdrawing from active service with a retirement allowance, or by
4253 death of the member.

4254 (4) No benefits under the plan shall accrue or otherwise be
4255 payable to any person who does not qualify for membership in the
4256 plan under subsection (1) of this section.

4257 (5) If a member of the Supplemental Legislative Retirement
4258 Plan under this article withdrew from state service and received a
4259 refund of the amount of the accumulated contributions to the
4260 credit of the member before March 1, 2026, and the person reenters
4261 state service on or after March 1, 2026, the member shall be
4262 considered to have become a member of the Public Employees'
4263 Retirement System of Mississippi under Article 3 of this chapter
4264 on or after March 1, 2026, and may not receive creditable service
4265 for service rendered before March 1, 2026.

4266 **SECTION 24.** Section 25-11-401, Mississippi Code of 1972, is
4267 amended as follows:

4268 25-11-401. There is established an optional retirement
4269 program for employees of the state institutions of higher learning
4270 included in Section 37-101-1 * * * who are appointed or employed



4271 after July 1, 1990, and are employed before March 1, 2026. To be
4272 eligible to participate in the optional retirement program, a
4273 newly appointed employee must:

4274 (a) (i) Hold a teaching or administrative faculty
4275 position, or

4276 (ii) Hold a position as an intern or resident in
4277 training at the University Medical Center or the College of
4278 Veterinary Medicine at Mississippi State University under a
4279 teaching program at such institutions; and

4280 (b) Be eligible for membership in the Public Employees'
4281 Retirement System of Mississippi.

4282 **SECTION 25.** Section 25-11-409, Mississippi Code of 1972, is
4283 amended as follows:

4284 25-11-409. Eligible employees initially employed on or after
4285 July 1, 1990, and before March 1, 2026, shall elect to participate
4286 in the optional retirement program within thirty (30) days after
4287 (i) entry into state service, or (ii) the effective date of the
4288 optional retirement program, whichever is later. The election
4289 must be made in writing and filed with the board of trustees and
4290 will be effective as of the date of employment. If an eligible
4291 employee fails to timely make the election provided in this
4292 section, he shall become a member of the Public Employees'
4293 Retirement System of Mississippi in accordance with Article 3 of
4294 this chapter.



4295 **SECTION 26.** Section 25-11-411, Mississippi Code of 1972, is
4296 amended as follows:

4297 25-11-411. (1) Each participant shall contribute monthly to
4298 the optional retirement program * * * nine percent (9%) of the
4299 participant's total earned compensation as defined in Section
4300 25-11-103. Participant contributions may be made by a reduction
4301 in salary in accordance with the provisions of Section 403(b) of
4302 the United States Internal Revenue Code or any amendment thereto,
4303 or in accordance with Section 25-11-124, as may be appropriate
4304 under the determination made in accordance with Section 25-11-421.
4305 The entirety of each participant's contribution shall be remitted
4306 to the appropriate company or companies for application to the
4307 participant's contracts or accounts, or both. Each employer of a
4308 participant in the optional retirement program shall contribute on
4309 behalf of each participant in the optional retirement program the
4310 same amount the employer would be required to contribute to the
4311 Public Employees' Retirement System of Mississippi if the
4312 participant were a member of the retirement system. The
4313 employer's contribution shall be remitted as follows:

4314 (a) An amount equal to * * * fourteen and nine-tenths
4315 percent (14.9%), for participants employed before July 1, 2025, or
4316 up to nine percent (9%) as determined by the employer, for
4317 participants employed on or after July 1, 2025, but before March
4318 1, 2026, of the participant's total earned compensation as defined
4319 in Section 25-11-103 shall be remitted to the appropriate company



4320 or companies for application to the participant's contracts or
4321 accounts, or both;

4322 (b) An amount * * * up to * * * two-tenths percent
4323 (0.2%) of the participant's total earned compensation as defined
4324 in Section 25-11-103 shall be remitted to the Public Employees'
4325 Retirement System of Mississippi * * * for application to the
4326 system's expense fund to defray the cost of administering the
4327 optional retirement program created by this article;

4328 (c) The remainder * * * shall be remitted to the * * *
4329 Public Employees' Retirement System of Mississippi for application
4330 to the accrued liability contribution fund.

4331 If the employer's contribution level is decreased below nine
4332 and three-fourths percent (9-3/4%) of the employee's total earned
4333 compensation, the remittance provided by paragraph (* * * c) of
4334 this section shall be reduced accordingly. There shall be no
4335 reduction in the remittance provided by paragraph (a) of this
4336 section until such time, if any, that the employer's contribution
4337 level is less than * * * nine percent (9%) of the participant's
4338 total earned compensation. If the accrued liability contribution
4339 is reduced or discontinued under Section 25-11-123, the amount of
4340 the reduction, or the entirety of the employer's contribution, in
4341 case of discontinuance, shall be remitted to the appropriate
4342 company or companies for application to the participant's
4343 contracts or accounts, or both. Any remittance required to be
4344 made by the employer to the Public Employees' Retirement System of



4345 Mississippi shall be made at the times the employer remits
4346 contributions for members of the retirement system.

4347 (2) The employer may, in its discretion, make additional
4348 contributions to the participant's contracts or accounts up to the
4349 maximum amount allowable under federal law.

4350 **SECTION 27.** Section 25-11-415, Mississippi Code of 1972,
4351 which provides that the Public Employees' Retirement System of
4352 Mississippi may deduct not more than two percent (2%) of all
4353 employers' contributions and transfer such deductions to the
4354 expense fund of the Public Employees' Retirement System to defray
4355 the cost of administering the optional retirement program for
4356 employees of the state institutions of higher learning, is
4357 repealed.

4358 **SECTION 28.** Section 2 of this act shall be codified in
4359 Chapter 7, Title 27, Mississippi Code of 1972. Section 14 of this
4360 act shall be codified in Article 3, Chapter 11, Title 25,
4361 Mississippi Code of 1972.

4362 **SECTION 29.** Sections 1 through 13 and Sections 24 through 28
4363 of this act shall take effect and be in force from and after July
4364 1, 2025, and Sections 14 through 23 of this act shall take effect
4365 and be in force from and after March 1, 2026.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
2 REDUCE THE TAX ON ALL TAXABLE INCOME IN EXCESS OF \$10,000.00 TO



3 3.75% FOR 2027, 3.5% FOR 2028, 3.25% FOR 2029, AND 3% FOR 2030 AND
4 ALL SUBSEQUENT YEARS; TO PROVIDE FOR THE ADDITIONAL REDUCTION OF
5 THE TAX ON ALL TAXABLE INCOME IN EXCESS OF \$10,000.00, BEGINNING
6 IN 2031, WHEN THE WORKING CASH-STABILIZATION RESERVE FUND IS FULLY
7 FUNDED, AND THE ADJUSTED GENERAL FUND REVENUE COLLECTIONS FOR A
8 FISCAL YEAR EXCEED CERTAIN APPROPRIATIONS FOR THE FOLLOWING FISCAL
9 YEAR BY AT LEAST 0.85% OF THE COST OF A 1% INCOME TAX REDUCTION;
10 TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, TO TAX RETAIL
11 SALES OF GROCERIES AT 5% FROM AND AFTER JULY 1, 2025; TO AMEND
12 SECTION 27-65-241, MISSISSIPPI CODE OF 1972, TO CONFORM; TO BRING
13 FORWARD SECTION 27-67-5, MISSISSIPPI CODE OF 1972, WHICH REQUIRES
14 THE IMPOSITION OF A USE TAX, FOR THE PURPOSE OF POSSIBLE
15 AMENDMENT; TO AMEND SECTIONS 27-55-11, 27-55-519 AND 27-55-521,
16 MISSISSIPPI CODE OF 1972, TO INCREASE THE EXCISE TAXES ON GASOLINE
17 AND CERTAIN SPECIAL FUELS TO 21¢ PER GALLON FROM JULY 1, 2025,
18 THROUGH JUNE 30, 2026, 24¢ PER GALLON FROM JULY 1, 2026, THROUGH
19 JUNE 30, 2027, AND 27¢ PER GALLON FROM JULY 1, 2027, UNTIL THE
20 FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE DATE UPON WHICH
21 THE MISSISSIPPI TRANSPORTATION COMMISSION AND THE STATE TREASURER
22 MAKE CERTAIN CERTIFICATIONS; TO PROVIDE FOR THE INDEXING OF SUCH
23 TAXES; TO AMEND SECTIONS 27-55-12 AND 27-55-523, MISSISSIPPI CODE
24 OF 1972, TO CONFORM; TO AMEND SECTIONS 27-5-101 AND 27-65-75,
25 MISSISSIPPI CODE OF 1972, TO ADJUST THE DISTRIBUTION OF REVENUE
26 FROM CERTAIN GASOLINE AND SPECIAL FUEL TAXES; TO REVISE THE
27 DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL
28 SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS
29 BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD
30 STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO
31 ADJUST THE DISTRIBUTION OF USE TAX REVENUE TO MUNICIPALITIES AND
32 COUNTIES FOR INFRASTRUCTURE; TO CREATE A NEW TIER IN THE
33 MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI FOR
34 EMPLOYEES BECOMING MEMBERS OF THE SYSTEM ON OR AFTER MARCH 1,
35 2026, WHICH SHALL CONSIST OF A DEFINED BENEFIT COMPONENT AND A
36 DEFINED CONTRIBUTION COMPONENT; TO SPECIFY THAT THE DEFINED
37 CONTRIBUTION COMPONENT SHALL BE A PLAN UNDER SECTION 401(A) OF THE
38 INTERNAL REVENUE CODE; TO PROVIDE THAT A PORTION OF THE EMPLOYEE'S
39 CONTRIBUTIONS SHALL BE DEPOSITED INTO THE EMPLOYEE'S DEFINED
40 CONTRIBUTION ACCOUNT, AND IN ADDITION, THE EMPLOYER MAY ELECT TO
41 CONTRIBUTE AN AMOUNT UP TO THE MAXIMUM PRETAX AMOUNT ALLOWABLE
42 UNDER FEDERAL LAW; TO PROVIDE THAT MEMBERS SHALL BE VESTED
43 IMMEDIATELY IN THE DEFINED CONTRIBUTION PLAN; TO AMEND SECTION
44 25-11-103, MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF
45 "AVERAGE COMPENSATION" FOR MEMBERS IN THE NEW TIER TO MEAN THE
46 AVERAGE OF THE EIGHT HIGHEST CONSECUTIVE YEARS OF EARNED
47 COMPENSATION, OR OF THE LAST 96 CONSECUTIVE MONTHS OF EARNED
48 COMPENSATION, WHICHEVER IS GREATER; TO AMEND THE DEFINITION OF
49 "MEMBER" TO PROVIDE THAT, IF A PERSON WITHDRAWS FROM STATE SERVICE
50 AND RECEIVES A REFUND BEFORE MARCH 1, 2026, AND REENTERS STATE
51 SERVICE ON OR AFTER MARCH 1, 2026, THE MEMBER SHALL BE CONSIDERED
52 TO HAVE BECOME A MEMBER OF THE SYSTEM ON OR AFTER MARCH 1, 2026,



53 AND NO PRIOR SERVICE SHALL BE CREDITED; TO AMEND SECTION
54 25-11-109, MISSISSIPPI CODE OF 1972, TO LIMIT THE CIRCUMSTANCES
55 FOR WHICH CREDITABLE SERVICE MAY BE AWARDED FOR EMPLOYEES BECOMING
56 MEMBERS OF THE SYSTEM ON OR AFTER MARCH 1, 2026; TO AMEND SECTION
57 25-11-111, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT MEMBERS IN
58 THE NEW TIER WHO HAVE COMPLETED AT LEAST EIGHT YEARS OF MEMBERSHIP
59 SERVICE SHALL BE ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE UPON
60 WITHDRAWAL FROM SERVICE AT THE AGE OF 62, AND MEMBERS WHO HAVE
61 COMPLETED AT LEAST 35 YEARS OF CREDITABLE SERVICE SHALL BE
62 ENTITLED TO RECEIVE A RETIREMENT ALLOWANCE UPON WITHDRAWAL FROM
63 SERVICE REGARDLESS OF AGE; TO PROVIDE THAT MEMBERS IN THE NEW TIER
64 WHO WITHDRAW FROM SERVICE BEFORE AGE 62 AND HAVE COMPLETED AT
65 LEAST EIGHT YEARS OF MEMBERSHIP SERVICE AND HAVE NOT RECEIVED A
66 REFUND OF THEIR CONTRIBUTIONS SHALL BE ENTITLED TO RECEIVE A
67 RETIREMENT ALLOWANCE UPON ATTAINING THE AGE OF 62; TO PROVIDE THAT
68 THE MEMBER'S ANNUAL RETIREMENT ALLOWANCE FROM THE DEFINED BENEFIT
69 PLAN SHALL CONSIST OF A MEMBER'S ANNUITY, WHICH SHALL BE EQUAL TO
70 1% OF THE AVERAGE COMPENSATION FOR EACH YEAR OF CREDITABLE
71 SERVICE; TO PROVIDE THAT THE ANNUAL RETIREMENT ALLOWANCE OF A
72 MEMBER WHO HAS ATTAINED THE AGE OF 62 BUT HAS NOT COMPLETED AT
73 LEAST 30 YEARS OF CREDITABLE SERVICE SHALL BE REDUCED BY AN
74 ACTUARIAL EQUIVALENT FACTOR FOR EACH YEAR OF CREDITABLE SERVICE
75 BELOW 30 YEARS OR THE NUMBER OF YEARS IN AGE THAT THE MEMBER IS
76 BELOW AGE 65, WHICHEVER IS LESS; TO AMEND SECTION 25-11-112,
77 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THERE SHALL BE NO ANNUAL
78 COST-OF-LIVING ADJUSTMENT FOR THE RETIREMENT ALLOWANCE APPLICABLE
79 TO THE NEW TIER, ALTHOUGH THE LEGISLATURE MAY PROVIDE AN
80 ADDITIONAL BENEFIT FOR A SPECIFIC YEAR; TO AMEND SECTION
81 25-11-114, MISSISSIPPI CODE OF 1972, TO CONFORM TO THE PROVISIONS
82 OF THIS ACT WITH RESPECT TO RETIREMENT ALLOWANCES FOR DEATH BEFORE
83 RETIREMENT OR DEATH OR DISABILITY IN THE LINE OF DUTY; TO AMEND
84 SECTION 25-11-115, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
85 MEMBER IN THE NEW TIER SHALL NOT BE ELIGIBLE FOR A PARTIAL
86 LUMP-SUM DISTRIBUTION; TO AMEND SECTION 25-11-117, MISSISSIPPI
87 CODE OF 1972, TO CONFORM; TO AMEND SECTION 25-11-123, MISSISSIPPI
88 CODE OF 1972, TO PROVIDE THAT, FOR MEMBERS IN THE NEW TIER, THE
89 EMPLOYEE'S CONTRIBUTION SHALL BE 9% OF EARNED COMPENSATION, 4% OF
90 WHICH SHALL BE DEPOSITED INTO THE ANNUITY SAVINGS ACCOUNT
91 APPLICABLE TO THE DEFINED BENEFIT PORTION OF THE RETIREMENT
92 ALLOWANCE, WITH THE REMAINING 5% TO BE DEPOSITED INTO THE
93 EMPLOYEE'S DEFINED CONTRIBUTION ACCOUNT; TO PROVIDE THAT, FOR
94 MEMBERS IN THE NEW TIER, THE EMPLOYER'S CONTRIBUTION SHALL BE
95 APPLIED TO THE SYSTEM'S ACCRUED LIABILITY CONTRIBUTION FUND; TO
96 AMEND SECTION 25-11-305, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
97 MEMBERSHIP IN THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN SHALL
98 APPLY ONLY TO THOSE STATE LEGISLATORS AND PRESIDENTS OF THE SENATE
99 WHO WERE ELECTED BEFORE MARCH 1, 2026; TO PROVIDE THAT, IF A
100 MEMBER OF THE SUPPLEMENTAL LEGISLATIVE RETIREMENT PLAN WITHDRAWS
101 FROM STATE SERVICE AND RECEIVES A REFUND BEFORE MARCH 1, 2026, AND
102 REENTERS STATE SERVICE ON OR AFTER MARCH 1, 2026, THE MEMBER SHALL



103 BE CONSIDERED TO HAVE BECOME A MEMBER OF THE PUBLIC EMPLOYEES'
104 RETIREMENT SYSTEM ON OR AFTER MARCH 1, 2026, AND NO PRIOR SERVICE
105 SHALL BE CREDITED; TO AMEND SECTION 25-11-401, MISSISSIPPI CODE OF
106 1972, TO PROVIDE THAT MEMBERSHIP IN THE OPTIONAL RETIREMENT
107 PROGRAM FOR EMPLOYEES OF THE STATE INSTITUTIONS OF HIGHER LEARNING
108 SHALL APPLY ONLY TO THOSE EMPLOYEES WHO ASSUMED THEIR POSITIONS
109 BEFORE MARCH 1, 2026; TO AMEND SECTION 25-11-409, MISSISSIPPI CODE
110 OF 1972, TO CONFORM; TO AMEND SECTION 25-11-411, MISSISSIPPI CODE
111 OF 1972, TO PROVIDE THAT EACH PARTICIPANT IN THE OPTIONAL
112 RETIREMENT PROGRAM SHALL CONTRIBUTE MONTHLY TO THE OPTIONAL
113 RETIREMENT PROGRAM 9% OF THE PARTICIPANT'S TOTAL EARNED
114 COMPENSATION; TO REALLOCATE THE EMPLOYER'S CONTRIBUTION TO THE
115 OPTIONAL RETIREMENT PROGRAM; TO PROVIDE THAT AN AMOUNT EQUAL TO
116 14.9%, FOR EMPLOYEES HIRED BEFORE JULY 1, 2025, OR UP TO 9%, FOR
117 EMPLOYEES HIRED ON OR AFTER JULY 1, 2025, BUT BEFORE MARCH 1,
118 2026, OF THE PARTICIPANT'S TOTAL EARNED COMPENSATION SHALL BE
119 APPLIED TO THE PARTICIPANT'S CONTRACTS OR ACCOUNTS; TO PROVIDE
120 THAT UP TO 0.2% OF THE PARTICIPANT'S TOTAL EARNED COMPENSATION
121 SHALL BE APPLIED TO THE EXPENSE FUND OF THE PUBLIC EMPLOYEES'
122 RETIREMENT SYSTEM TO DEFRAY THE COST OF ADMINISTERING THE OPTIONAL
123 RETIREMENT PROGRAM; TO PROVIDE THAT THE REMAINDER SHALL BE
124 REMITTED TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR
125 APPLICATION TO THE ACCRUED LIABILITY CONTRIBUTION FUND; TO REPEAL
126 SECTION 25-11-415, MISSISSIPPI CODE OF 1972, WHICH PROVIDES THAT
127 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM MAY DEDUCT NOT MORE THAN
128 2% OF ALL EMPLOYERS' CONTRIBUTIONS AND TRANSFER SUCH DEDUCTIONS TO
129 THE EXPENSE FUND OF THE SYSTEM TO DEFRAY THE COST OF ADMINISTERING
130 THE OPTIONAL RETIREMENT PROGRAM; AND FOR RELATED PURPOSES.

